

UNIV. OF
TORONTO
LIBRARY



Digitized by the Internet Archive
in 2014

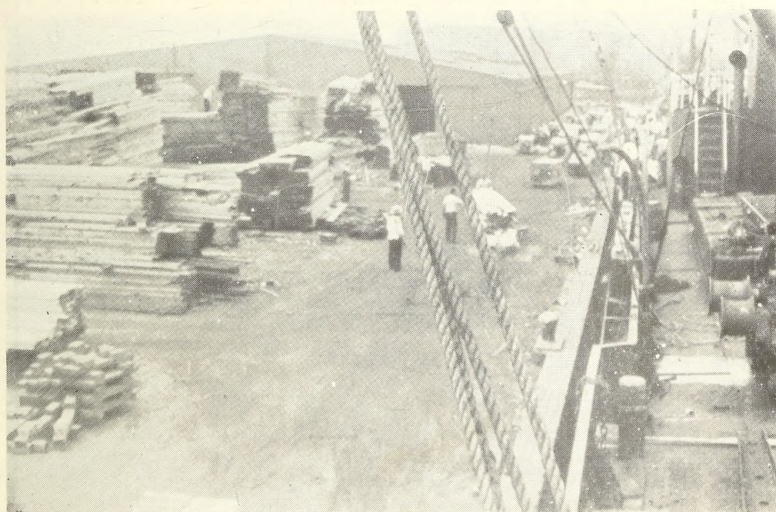
COMMERCIAL INTELLIGENCE JOURNAL

Vol. LXII

Ottawa, January 6, 1940

No. 1875

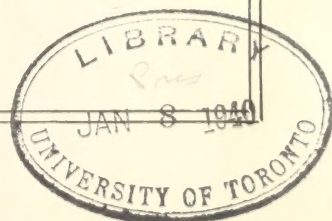
Vol. 62 (Jan. - June 1940)



Shipment of British Columbia Douglas Fir being unloaded at Brooklyn

ISSUED BY AUTHORITY OF
THE HON. W. D. EULER, MINISTER OF TRADE AND COMMERCE
JAMES G. PARMELEE, DEPUTY MINISTER

391424
19.4.41



CONTENTS

	Page
Displacement of German Trade in the United Kingdom.....	1
New Office Opened at Los Angeles.....	6
Trade of the Bahamas in 1938.....	6
Trade of Nigeria in 1938	8
Wheat and Flour Trade and Markets:	
Wheat in Argentina	11
Brazilian Wheat and Flour Market.....	18
South African Wheat and Flour Situation.....	23
United Kingdom Import Licensing Regulations for Iron and Steel	27
Review of Import Regulations in France.....	30
Tariff Changes and Trade Regulations	33
Foreign Exchange Quotations	37
Trade Inquiries for Canadian Products	38
Commercial Intelligence Service	39

COMMERCIAL INTELLIGENCE JOURNAL

Issued Every Saturday by the Department of Trade and Commerce

PUBLISHED in English and French. Subscription Price for either edition: \$1 per annum in Canada (single copies 5 cents each); \$3.50 outside the Dominion (single copies 10 cents each). Remittances, which may be made by Post Office or Express Orders, or Drafts, or Cheques, payable at par in Ottawa, should be addressed to the King's Printer, Government Printing Bureau, Ottawa.

Vol. LXII

Ottawa, January 6, 1940

No. 1875

DISPLACEMENT OF GERMAN TRADE IN THE UNITED KINGDOM

H. L. BROWN, ASSISTANT TRADE COMMISSIONER

London, November 28, 1939.—The declaration on September 3 that a state of war exists between the United Kingdom and Germany stopped commerce between the two countries until such time as a peace is signed.

In 1937 the total value of importations into the United Kingdom from Germany amounted to £36,118,060, of which £34,858,415 was retained in the United Kingdom, while the small remainder was re-exported; this total is the highest for several years. By main classes the total values of importations in 1937 were as follows: food and drink, £1,093,314; raw materials, etc., £1,220,572; articles wholly or mainly manufactured, £33,670,621; animals, not for food, £19,627; parcel post, £113,926.

CHANGED FLOW OF TRADE

The sudden cessation of imports, amounting in value to approximately \$180,000,000 is, of course, a matter of considerable importance to the economy of the United Kingdom, and it is to be anticipated that sources for some at least of the commodities affected will be sought elsewhere. In relatively few cases did Germany enjoy a complete monopoly of supply, and consequently other aspects being unchanged, the flow of orders to Germany will tend to be diverted to other supplying countries which have already developed a place in the market.

This theoretical simplicity does not exist in practice. In many instances the competitors of Germany are the neighbours of Germany, and their exports to the United Kingdom have been interrupted in greater or in less degree by naval warfare and blockade and related forms of political pressure. In addition a number of products are made in those other countries from raw materials and semi-prepared materials and parts of which supplies have been affected by the war. In some cases the producing country has found it necessary to prohibit or limit exports of certain of its own raw or manufactured products.

Then, too, the United Kingdom Government has found it necessary to restrict or entirely dispense with a number of products. These decisions have been embodied in a series of Import Licensing Orders which have been reported in the *Commercial Intelligence Journal* and which are referred to at appropriate points in this report. References are indicated by the use of letters to which the key is: (P) prohibited or licensed import for which licences are not at present issued; (L) licensed import, i.e. commodities for which import licences must be obtained before orders are placed abroad; (O) open general licence, i.e. licensed imports which for the time being may be imported without application or without specific licence—these open general licences are in certain cases applicable only to goods consigned from Empire countries; (C) control of purchase and importation entirely in government hands; (Ci) control in prospect, but meanwhile only wholesale and retail prices are controlled. In general those commodities not so marked may be imported without undue restriction.

The Import Licensing Orders are susceptible of change on short notice, and exporters should ascertain the exact position from the Foreign Tariffs Division, Department of Trade and Commerce, before taking any action. These regulations, together with measures of exchange control, have had the effect of stopping the importation of luxury goods and of goods which are manufactured in the United Kingdom and have limited, with varying severity, the importation of goods which can be dispensed with or replaced by other materials or manufactured to some extent within the country. Imports are now restricted in the main to foods and feeds, raw materials, war supplies, and such essentials as cannot be produced in the United Kingdom.

Despite these qualifications, an examination of the following statistics of imports from Germany into the United Kingdom, may suggest opportunities for the development of a wider or more varied market for Canadian goods. (All quantities are given in units of imperial measure: cwt. of 112 pounds; long tons of 2,240 pounds; etc., while values are in pounds sterling. The statistics used are those for 1937).

FOOD

Barley Products (C).—The importation of barley products from Germany steadily decreased from 156,856 cwt. (£51,135) in 1933 to 10,197 cwt. (£5,371) in 1937.

Corn Products (C).—The total imports were small at 6,165 cwt. (£2,082) and were mainly made up of meal.

Peas, Dried (C).—Imports of peas decreased greatly prior to 1937, the total in that year being only 4,343 cwt. (£1,934).

Wheat (C).—Imports of wheat from German ports was an irregular trade, varying from 4,442,794 cwt. (£936,347) in 1933 to none in 1936 and amounting to 423,024 cwt. (£206,943) in 1937.

Wheat Products (C).—The importation of wheat products also fluctuated greatly; the total in 1937 was the lowest in years at 5,107 cwt. (£2,500) and consisted of meal and flour.

Cereal Feeds (C).—The total imports from Germany in 1937 were 12,525 tons (£88,410) and comprised 8,683 tons of sharps and middlings and 3,709 tons of bran and pollard, both of which are unimportant proportions of the total imports from all countries.

Grain and Flour, n.o.p. (C).—Imports in this miscellaneous group decreased to 25,640 cwt. (£17,171) by 1937.

Meat (C).—The total imports were 7,846 cwt. (£47,929) and consisted mainly of canned bacon and hams, which amounted to 6,383 cwt. (£41,950) and sausages, 641 cwt. (£2,976).

Eggs in the Shell (L).—The quantities and values of imports from Germany, amounting to 573,010 dozen (£22,361), were a very small part of the total from all countries.

Sugar, Refined (C).—Imports in 1937 were 33,520 cwt. (£12,235).

Vinegar.—The importation of vinegar from Germany decreased from 397,875 gals. (£49,976) in 1933 to 11,897 gals. (£799) in 1937.

Yeast (L).—Imports from Germany in 1937 amounted to 28,524 cwt. (£33,693).

RAW MATERIALS

Hides and Skins (L).—The importation of undressed hides and skins from Germany was a fairly steady trade of moderate value and in 1937 included the following principal items: rabbit skins, undressed, 44,968 pieces (£1,111); other fur skins, undressed, 1,355 cwt. (£133,610); hides, 6,738 cwt. valued at £32,499 (made up of wet cow hides, 3,622 cwt., £16,022; wet calf hides, 1,384 cwt., £8,464; other wet hides, 302 cwt., £1,921; dry cow hides, 1,362 cwt., £5,733); sheep and lamb skins, 95,233 pieces valued at £13,736 (with wool, 57,994 pieces, £7,570; without wool, 37,239 pieces, £6,166); goat skins, 3,895 pieces (£949). In no case, however, did imports from Germany form a high percentage of total imports. (See also furs under "miscellaneous").

Non-Metallic Minerals, etc.—The principal items under this heading are: asphalt and bitumen, natural, 5,909 tons (£10,339); barytes, not ground, 19,686 tons (£26,759); clay, 3,021 tons (£34,008); graphite, 1,191 tons (£13,880). Germany, with the Netherlands, was the principal source of supply for crude barytes but not of the other minerals listed.

Gums and Rosins.—Imports amounted to 15,051 cwt. (£43,357) and included rosin (colophony) 3,365 cwt. (£3,087) and shellac, seedlac and sticklac, 5,106 cwt. (£23,742). (See also synthetic rosins under "miscellaneous").

Waxes.—Total imports from Germany were 17,772 cwt. (£60,533) and consisted mainly of beeswax, 169 cwt. (£1,183); carnauba, candelilla, and other vegetable waxes, 161 cwt. (£999); montan, 14,427 cwt. (£47,150); and ozokerit or earth wax, 1,173 cwt. (£4,872).

Wood-pulp (L).—Imports of wood-pulp from Germany have decreased in recent years and in 1937 amounted to 20,039 tons (£184,810) made up mainly of chemical pulp, dry bleached, 6,441 tons (£73,809) and sulphite, dry, unbleached, 13,072 tons (£107,104).

Wood and Timber (C).—Imports of timber and veneers have not been heavy from Germany and included mainly: hardwood, 67,084 cubic feet, valued at £11,466 (including sawn oak, 21,598 cubic feet, £4,772, and sundry sorts such as birch, beech, etc., 44,861 cubic feet, £6,526); softwood, 2,802 standards (£36,510); and veneers, 7,635 cwt. (£24,164).

Charcoal.—This item refers to common charcoal and does not include decolorizing and activated charcoal. Total imports amounted to 5,902 tons (£34,608), Germany being one of the principal European suppliers.

Wool of Sheep and Lamb (C).—Imports from Germany have steadily decreased until they amounted to only 179,200 pounds (£11,030) in 1937; these were wool in the fleece, principally greasy.

Bristles.—Germany supplied 1,212 cwt. (£50,030) in 1937; this is a small fraction of total imports.

Hair, Raw.—Supplies from Germany totalled 5,328 cwt. (£17,966) and included cow, ox, bull or elk hair, 3,298 cwt. (£9,044); goat hair, 526 cwt. (£2,082); and horse hair, 462 cwt. (£4,079).

Drugs, Raw or Simply Prepared.—The aggregate imports of roots, etc., was valued at £30,066, but no details of type or variety are available.

Seeds, Agricultural and Horticultural.—The total quantity of imports in 1937 was 20,360 cwt. (£78,208) and covered such items as clover seed, other than red, 633 cwt. (£3,052); grass seed (not rye-grass nor cocksfoot) 9,063 cwt. (£39,021); flower seeds, 193 cwt. (£8,674); vegetable seeds, 2,233 cwt. (£4,861); and sundry others.

ARTICLES WHOLLY OR MAINLY MANUFACTURED

APPAREL

Gloves (L).—Imports of gloves from Germany were quite extensive. Leather gloves totalled 33,972 doz. prs. (£67,479); fabric gloves, mainly of cotton, amounted to 557,982 doz. prs. (£246,252); and other textile gloves totalled 70,736 doz. prs. (£37,744). Germany was the principal supplier of rubber gloves, with 47,827 doz. prs. (£15,439); Canada was a close second.

Hats, Caps, etc. (L).—Total imports were 52,959 doz. (£66,516) including straw hats, 4,401 doz. (£12,116); other hats, not of wool or felt, 10,920 doz. (£27,686); and fur felt hats, 3,436 doz., £7,031.

Hosiery (L).—Imports from Germany in 1937 reached the high figure of 2,188,397 doz. prs. (£1,143,672) and included cotton hose, 332,296 doz. prs. (£190,041); wool hose, 17,229 doz. prs. (£14,494); silk hose, 114,173 doz. prs. (£103,119); and artificial silk hose, 1,724,699 doz. prs. (£836,018).

Outer Garments (L).—This general group covers women's and girls' clothing but does not include knitted, netted or crocheted goods. The value of imports aggregated £570,999 in 1937 and comprised items such as overcoats, cloaks, coats and the like, 48,891 garments (£112,750); costumes, suits and the like, 38,024 garments (£86,868); dresses and skirts of silk or artificial silk, 75,903 garments (£125,955); dresses and skirts of wool, 109,087 garments (£181,727); dresses and skirts of other woven materials, 7,885 garments (£6,750); blouses, jumpers, etc. of silk or artificial silk, 28,846 garments (£6,703); blouses, jumpers, etc. of other woven materials, 38,542 garments (£8,667); dressing gowns and other outer garments, n.o.p., for women and girls, £38,550.

Underwear (L).—The total value of imports was £67,560 and included a wide range of garments.

CHEMICALS AND DRUGS

Chemicals.—This is a general heading which covers all important items except drugs and medicines and dyestuffs. The aggregate value of imports from Germany in 1937 was £2,371,819. The number of chemicals included in the group is too extended for complete listing here, but the following items may be of interest: acetic anhydride, 1,600 cwt. (£3,863); acetone, 4,501 cwt. (£6,620); acetic acid, 51,815 cwt. (£57,160); tartaric acid (P), 10,508 cwt. (£43,874); calcium carbide, 69,302 cwt. (£44,000); calcium chloride, 39,008 cwt. (£6,906); collodion cotton (P) (nitro-cellulose), wet, not intended for explosive use, 11,873 cwt. (£58,395); litharge (L), 21,759 cwt. (£28,906); red lead (L), 33,913 cwt. (£42,788); magnesium compounds, 19,307 tons (£71,805); methyl alcohol, 235,386 gals. (£25,241); potassium carbonate, 32,932 cwt. (£35,586); caustic potash and lyes, 40,014 cwt. (£49,399); potassium chloride, 775,397 cwt. (£254,086); potassium nitrate, 15,491 cwt. (£14,638); potassium sulphate, 645,027 cwt. (£295,430); kainite and other mineral potassium fertilizer salts, n.o.p., 791,458 cwt. (£142,355); rock salt, 12,203 tons (£15,146); sodium chlorate, 11,358 cwt. (£11,132);

sodium cyanide (P), 30,653 cwt. (£70,505); sodium phosphate (P), 19,133 cwt. (£8,435); and sodium sulphate (P), 70,553 cwt. (£10,380).

Drugs, Medicines and Medicinal Preparations.—The total value of imports from Germany in 1937 reached the abnormally high figure of £607,890; the marked advance resulted mainly from the very large quantity of proprietary medicines which were imported to the amount of £372,115 in 1937 as compared with £87,106 in 1936. Other items were: quinine and its salts, 250,000 oz. (£23,443), and a miscellaneous variety of drugs and medicines valued at £191,909.

Dyestuffs (L).—Finished dyestuffs obtained from coal tar were imported from Germany to an aggregate of 30,855 cwt. (£870,615), and intermediate coal tar products used in the manufacture of dyes totalled 10,734 cwt. (£209,919).

CUTLERY, HARDWARE, IMPLEMENTS AND INSTRUMENTS

The total value of imports of cutlery (L) from Germany was £121,586, and included knives, £8,922; scissors, £31,471; razor blades, £39,291; razors, other than safety razors, £7,982; and hair clippers, £14,984.

Hosiery latch needles were imported to the number of 12,428,841 (£48,200), while all other needles totalled 29,015 lbs. (£35,691).

Hardware, other than hollow-ware, made an aggregate of 48,998 cwt. (£308,520), and included locks, padlocks, keys and latches, 12,256 cwt. (£61,546); bolts, hasps and hinges, 20,358 cwt. (£31,642); and other such hardware, 16,384 cwt. (£215,332).

The value of imports of implements and tools, except machine tools, totalled £387,549 and comprised such articles as scythes, sickles, etc., £6,631; files and rasps, £2,989; saws and saw blades, £23,401; drills, twist, bit-stock, etc., but not augers, 389,707 doz. (£20,976); pliers, pincers and nippers (not medical), £32,060; carpenters' tools, n.o.p., £20,660; engineers' tools such as stocks and dies, wrenches, spanners, etc., only usable with machine tools (£36,611) and other (£85,448); all others, £156,341.

Imports of scientific instruments and appliances, not including electrical, were valued at £862,955, and included instruments, medical, surgical, etc., £32,387; artificial teeth, crowns and facings, £10,769; photographic cameras, 58,753 pieces (£112,586); moving picture equipment, £28,067; photographic paper, plates, etc., £91,672; sundry photographic equipment, £77,862; lenses for spectacles, £2,874; other lenses, £101,676; spectacle frames, £97,965; bodies for instruments for holding lenses, £58,905; gauges, £20,867.

Imports of clocks (L) and watches (L) and parts together totalled £805,327 in value, and included clocks to the number of 3,602,872 (£419,363); clock movements, 1,116,733 pieces (£216,344); watches, with cases other than of gold or silver, 957,185 in number (£120,457).

ELECTRICAL GOODS AND APPARATUS

Total supplies from Germany were valued at £987,370, and covered such items as wire, paper insulated, £48,814; wire, rubber insulated, £72,076; other wire, £56,091; parts and accessories (not including tubes) of wireless sets, £79,696; telegraph and telephone apparatus, £49,846; electric carbons, £54,591; electric lamps and torches (L), £40,568; light bulbs for motor vehicles (L), £17,899; sundry lighting appliances (L), £143,735; battery parts, other than carbons, £33,096; electric bells, £25,647; electric cooking and heating apparatus (L), £12,723; house service meters (L) (mainly prepayment type) and parts, £88,329; scientific electrical instruments, £39,998; electro-medical apparatus, other than X-ray and vacuum tubes, £59,642; vacuum and X-ray tubes, £40,413; insulating materials, n.o.p., £30,598; and sundry equipment, £32,933.

LEATHER AND LEATHER MANUFACTURES

The total value of imports of leather (Ci), dressed or undressed, aggregated £443,961 in 1937. This was only half the figure for 1936 and much lower than the high total of £1,493,803 in 1935. The decrease is due mainly to much lower imports of German box and willow calf. The principal items were dressed leather: box and willow calf, 3,642,663 sq. ft. (£173,498); box sides and other hide upper leather, 1,354,141 sq. ft. (£50,266); glacé kid, 1,551,849 sq. ft. (£85,985); other sorts of upper leather, 992,034 sq. ft. (£46,746); sheep, goat and kid (other than upper leather), 1,212,717 sq. ft. (£43,584); and patent, varnished, japanned and enamelled leather, 157,404 sq. ft. (£10,134).

Leather manufactures (L) amounted in value to £271,882, and consisted almost entirely of leather trunks, bags, valises, etc., which totalled £250,452 in value.

MACHINERY (L)

The great range of machinery imported in 1937 totalled £6,021,569 in value. The most important single group of machinery was metal-working machines, which include boring mills, £51,321; drilling machines, £66,560; grinders, £128,625; lathes, £459,313; milling machines, £251,023; planers and shapers, £36,737; presses, punches and shears, £264,064; saws, £47,037; and other metal-working machines, £313,197. Other items were: rolling mill machinery, £422,424; small electric motors, £50,248; bakers' and confectioners' machinery, £113,005; office machinery, £153,000; paper-making machinery, £134,320; internal combustion engines, marine, £140,448; printing machines, £304,308; textile machinery, £385,049; and ball bearings, £131,087.

METALS

Iron and Steel (C).—The main classes imported from Germany in 1937 were bars, rods, angles, shapes and sections, £312,526; blooms, billets and slabs (not of special steel), £255,798; plates and sheets, £57,735; tubes, pipes and fittings, £208,205; wire (not insulated), £106,531; nails and staples, £32,209; and baths, £136,057.

Aluminium (C).—The total value was £337,579, and the principal forms imported from Germany were ingots, blocks, slabs, billets, etc., £26,331; sheets, strips, plates, etc., exceeding 0.006 inch in thickness (£160,598) and not exceeding that thickness, i.e. foil (£125,338).

Brass.—The total from Germany was valued at £343,372, and included plates, sheets, strips, discs, etc., £90,237; wire, £31,098; rods, sections, etc., £11,074; tubes, £15,268; and a variety of other forms.

Copper (Ci).—Imports amounted in value to £248,873, and covered unwrought electrolytic, £21,432; plates, sheets, strips, etc., £144,728; and tubes, £47,646.

Magnesium.—Total imports of metallic magnesium were valued at £279,642.

Zinc or Spelter (Ci).—The total value of imports was £90,964.

PAPER (Ci) AND CARDBOARD (ci)

The total imports of paperboards amounted to 747,670 cwt. (589,082) and included coated cardboard, 179,891 cwt. (£183,066); uncoated board, m.g., 88,062 cwt. (£62,561); uncoated board, other, 348,982 cwt. (£273,882); and leatherboard, 103,072 cwt. (£56,501).

Imports of packing and wrapping papers amounted to 621,522 cwt. £758,837, and comprised mainly greaseproof, bleached, 49,778 cwt. (£64,096) and unbleached, 112,008 cwt. (£109,253); imitation kraft and imitation greaseproof, 151,880 cwt. (£108,489); glazed imitation parchment and glazed transparent, 113,923 cwt. (£202,024); sulphite m.g. (not kraft), white, 51,767 cwt. (£42,053) and other than white, 24,192 cwt. (£22,503); other than sulphite, m.g., 25,304 cwt. (£23,638); and tissue paper, 32,181 cwt. (£104,181).

All other sorts of paper and paper products totalled 203,906 cwt. (£628,733). (See also stationery under "miscellaneous.")

TEXTILES

Cotton Yarns and Manufactures (O).—Cotton yarns were imported to the value of £13,083; cotton lace and net, £20,727; cotton piece-goods, £121,006; other cotton manufactures, £165,485.

Silk Manufactures (L).—This general heading does not include apparel or embroidery; the total value of imports in 1937 was £247,615. The principal articles included were pile fabrics, damasks, etc., £195,002 sq. yds. (£59,919); bleached or dyed tissues, 279,362 sq. yds. (£57,811); printed tissues, 100,542 sq. yds. (£22,184); tissues of silk and other materials, 499,216 sq. yds. (£48,286); and ribbons of silk mixed with other materials, 15,979 lbs. (£11,433).

Artificial Silk Manufactures (L).—This group also does not include apparel or embroidery; the total value of imports was £1,154,926. The most important items were pile fabrics, 1,451,157 sq. yds. (£207,412); tissues, bleached or dyed, 3,822,717 sq. yds. (£366,950); tissues, printed (P), 1,805,310 sq. yds. (£203,985); ribbon, 96,009 lbs. (£39,855); tissues of artificial silk mixed with other materials except silk, 1,962,660 sq. yds. (£156,883); and ribbons and braids of artificial silk mixed with other materials except silk, 333,667 lbs. (£102,772).

Wool Manufactures (L).—The total under this heading was valued at £698,784. The principal items were pile fabrics, 720,051 sq. yds. (£155,457); wool tissues, 2,037,283 sq. yds. (£223,271); tissues of wool mixed with other materials, 244,137 sq. yds. (£43,872); and wool felt, n.o.p., 1,258,074 sq. yds. (£117,978).

SUNDRY

Pottery (P) and Glass (L).—Total imports of glass and glassware were valued at £1,122,542, and the aggregate value of pottery and similar clay products was £450,320.

Rubber Manufactures (L).—The value of all rubber manufactures imported in 1937 was £209,053. Most of the items making up this total are not separately shown in the statistics, but it does include relatively small quantities of sheeting, tubing, cords and webs, mats and tiles, and aprons and overalls. Rubber gloves are referred to under "gloves."

Vehicles.—The value of mechanically propelled vehicles imported in 1937 from Germany amounted to £697,280, and was made up mainly of passenger automobiles (P) and parts. Bicycles and parts amounted to an additional £122,663.

Wood Manufactures.—The total of all types of wood manufactures was £512,858 and comprised: furniture (P), £53,461; tool handles, £8,022; beadings and mouldings (P), £10,593; domestic woodware (P), £59,188; plywood (C) (except that faced with alder or birch), 414,535 cu. ft. (£228,557); boxes (O), barrels (L), etc., £15,161; wooden heels (P), £19,383; bobbins and reels, £4,998, and a large variety of other items amounting to £99,806. (See also brooms and brushes under "miscellaneous.")

Miscellaneous Articles.—This general group covers a wide range of imported goods which cannot be listed under any specific heading but which in total are an important part of the imports from Germany. The principal items were baskets and basketware (L), £48,242;

books, £138,510; brooms and brushes (O) complete, 146,811 gross, £104,207; celluloid in rolls, sheets, rods, etc., £64,148; cork manufactures, £37,109; fancy goods, £124,020; furs, dressed (L), etc., rabbit (£44,607) and other (£157,073); manufactures (L) of furs and skins, n.o.p., £100,106; gelatine, glue and size, 12,507 cwt. (£97,675); buttons (O) and studs, 2,084,469 gross (£74,916); other hard haberdashery, £112,657; jewellery (P), gold and silverware (P), etc., £267,858; musical instruments (P), £373,893; pictures (P), prints (P), etc., £110,626; resins, synthetic, £74,612; starch and manufactures therefrom, 463,334 cwt. (£249,285); stationery (L), other than paper, £178,058; toys (P), £1,013,838; umbrellas (P), walking sticks (P), etc., £44,876.

NEW OFFICE OF COMMERCIAL INTELLIGENCE SERVICE OPENED AT LOS ANGELES

Mr. B. C. Butler, recently transferred from the post of Canadian Trade Commissioner at Singapore to the United States, has now opened for business a new office of the Commercial Intelligence Service in Los Angeles, California. The address of this new office is 510 West Sixth Street.

TRADE OF THE BAHAMAS IN 1938

F. W. FRASER, CANADIAN TRADE COMMISSIONER

Kingston, Jamaica, December 16, 1939.—The total value of imports into the Bahamas in 1938, including bullion, specie and parcels post, was £1,146,909 as compared with £1,291,353 in 1937, £967,240 in 1936 and £723,762 in 1935. The reason for the decrease in 1938 below the 1937 figure was that the tourist trade, the Colony's most important source of income, which had reached an all-time peak in the 1936-37 season, suffered a decline in 1937-38. The extent of the latter is shown by the following comparison between the calendar years 1937 and 1938 in respect of the number of passengers landing and departing and the fees collected from them:—

	Landing		Departing		Total	
	No.	Fees	No.	Fees	No.	Fees
1937	62,282	£4,948. 6.4	63,358	£4,864. 10.4	125,640	£9,812. 16.8
1938	56,030	4,448. 11.6	55,981	4,380. 2.6	112,011	8,828. 14.0

Merchants in Nassau had bought heavily in 1937, expecting the 1937-38 tourist season to equal the preceding one. As their hopes were not realized, there was a considerable carryover of stocks to 1938, and buying during that year was on a reduced scale.

STATISTICS OF IMPORT TRADE

The trend of the Bahamas import trade over the past five years is shown below:—

From—	1934	1935	1936	1937	1938
Canada					
Value	£135,100	£ 98,949	£130,231	£ 154,151	£ 131,677
Per cent.	18.5	13.7	13.5	12.6	11.5
United Kingdom					
Value	182,531	169,866	238,084	272,731	272,986
Per cent.	25.0	23.4	24.6	22.3	24.0
United States					
Value	267,773	317,612	415,161	556,239	513,340
Per cent.	36.7	43.9	42.9	45.6	44.7
Other countries					
Value	142,895	137,335	183,764	236,232	228,906
Per cent.	19.8	19.0	19.0	19.5	19.8
Total					
Value	£728,299	£723,762	£967,240	£1,219,353	£1,146,909
Per cent.	100.0	100.0	100.0	100.0	100.0
Less liquor imports	169,157	64,972	65,661	45,778	53,668
Net value	£559,142	£658,790	£901,579	£1,173,575	£1,093,241

Apart from parcels post and liquor imports which, while prohibition was in effect in the United States were very large but, as indicated by the above table, have since receded to what may be regarded as the Colony's normal requirements for domestic consumption, the import trade during the past five years was as follows:—

From—	1934	1935	1936	1937	1938
Canada					
Value..	£ 75,430	£ 80,663	£124,201	£ 152,333	£ 129,824
Per cent..	13.5	12.2	13.8	13.0	12.5
United Kingdom					
Value..	118,738	145,725	206,191	255,512	247,668
Per cent..	21.2	22.1	22.9	21.7	24.0
United States					
Value..	267,232	317,414	413,958	554,676	509,920
Per cent..	47.9	48.3	45.9	47.3	49.7
Other countries					
Value..	97,742	114,988	157,229	211,054	143,647
Per cent..	17.4	17.4	17.4	18.0	13.8
Total					
Value..	£559,142	£658,790	£901,579	£1,173,575	£1,031,059
Per cent..	100.0	100.0	100.0	100.0	100.0

As in preceding years, most of the goods imported into the Bahamas in 1938 originated in the United States, which also absorbed much of the exports, the reason being the Colony's proximity to and frequent marine communication with that country. Besides the regular services between New York and Nassau there are several motor-driven vessels of about 100 tons net registered tonnage plying between Nassau and Florida ports, carrying passengers as well as freight. These boats are owned by Nassau merchants who naturally are looking for freight, and thus it is not surprising that a large share of the package-goods trade, especially in foodstuffs, enters Nassau by way of Miami or Jacksonville. It is an added advantage to the Bahamas' importer that he can buy in small quantities and get delivery practically overnight.

Divided into the categories adopted by the British Board of Trade, the 1938 imports into the Bahamas were as follows:—

I. Food, drink and tobacco	£ 387,262
II. Raw materials and articles mainly unmanufactured.. . . .	46,368
III. Articles wholly or mainly manufactured.. . . .	703,723
IV. Miscellaneous and unclassified	1,486
V. Bullion, specie, and parcels post.. . . .	8,070
Total	£1,146,909

In class I Canada is credited with £90,455 (23.3 per cent), in class II with £1,539 (3.3 per cent), and in class III with £39,683 (5.5 per cent). There were no imports from the Dominion under classes IV and V. The principal articles shipped from Canada to the Bahamas during the year under review were bacon and ham, butter, cement, cheese, flour, hardware, iron and steel manufactures, fresh meat, condensed milk, motor vehicles, and unclassified provisions.

EXPORTS

The value of exports of domestic produce from the Bahamas in 1938 totalled £148,447: United Kingdom, £41,992; Canada, £36,191; the United States, £34,319; and Holland, £13,915. Re-exports (i.e. goods other than domestic produce) had an aggregate value of £67,889, bringing the figure for total exports to £216,336. Of the domestic exports the chief items were sponge (£90,054), raw tomatoes (£25,366), lumber (£8,934), motor boats (£5,700) and salt (£1,706). Canada took almost all the raw tomatoes and moderate quantities of sponge. The great difference between the total values of the Bahamas imports and domestic exports is accounted for by the fact that the tourist trade is an "invisible export," the value of which is roughly represented by that difference, about £1,000,000 per annum in round figures.

TRADE OF NIGERIA IN 1938

H. L. BROWN, ASSISTANT TRADE COMMISSIONER

London, December 13, 1939.—The trade report of Nigeria for the year ending December 31, 1938, shows clearly the drastic decrease in both exports and imports into the Colony and Protectorates in 1938 as compared with the two previous years. Total trade in 1938 amounted to £18,703,621, which represents a decrease of £16,006,696 or over 46 per cent from the total in 1937. While higher than the figure for 1934, this total is lower than for 1935 as well as 1936.

EXPORTS OF PRINCIPAL COMMODITIES

Total domestic exports amounted to £9,461,615 in 1938 as compared with £19,242,197 in 1937, a decrease of nearly 51 per cent. The values of the principal commodities exported in 1938, with percentage decrease as compared with 1937 shown within parentheses, were: palm oil, £981,330 (58 per cent); palm kernels, £2,168,366 (4); cocoa, £1,566,684 (57); ground nuts (peanuts), £1,305,828 (68); cotton lint, £246,856 (51); tin ore, £1,435,157 (45); hides and skins, £515,788 (41); and gold, £176,069 (9).

IMPORT TRADE

The total value of the import trade of Nigeria in 1938 was £11,567,104 as compared with £18,567,675 in 1937. It comprised: commercial imports, £7,748,159; Government imports, £884,133; and specie, £2,934,812. The importation of cotton piece-goods decreased from £4,851,041 or 33 per cent of all merchandise imported in 1937, to £1,975,042 or 23 per cent of total merchandise in 1938; the carryover from 1937 being very heavy.

IMPORTS BY COUNTRIES

The United Kingdom continued to be the principal source of imports, supplying over 66 per cent of the total value of importations in 1938. Other parts of the British Empire supplied nearly 6½ per cent; Germany 6½ per cent; United States, 6 per cent; Japan and Norway, each over 3 per cent; Italy and Netherlands, each well over 1 per cent. There were fractional percentages from Belgium, France and the other suppliers.

The following table of imports into Nigeria in 1938 from the principal countries of origin shows main classes but includes miscellaneous items in the total only:—

Imports into Nigeria by Main Classes in 1938

	Food, Drink and Tobacco	Raw Materials	Manufactured Materials	Total Merchandise
Total	£1,763,326	£105,555	£6,635,504	£8,632,182
United Kingdom	811,071	89,702	3,686,229	4,713,281
Other British Empire, total . .	136,373	788	600,573	738,867
Burma	56,148	.....	5	56,153
Canada	6,917	364	21,597	28,878
Hongkong	128	.....	27,891	28,019
India	37,045	14	545,515	582,574
Belgium	9,613	24	85,665	95,302
Czecho-Slovakia	27,115	.....	74,690	101,805
Dutch West Indies	16	.....	132,374	132,390
France	20,398	476	56,688	77,562
Germany	63,213	4,646	686,410	754,599
Netherlands	51,235	479	98,293	150,007
Italy	6,691	1	163,196	169,888
Japan	3,349	62	375,657	379,068
Norway	365,351	159	5,605	371,115
United States	193,174	7,941	492,781	693,896

DETAILS OF IMPORTS

Following is a list of importations into Nigeria in 1938, selected as likely to be of interest to Canadian exporters, showing total quantities and values and principal supplying countries; quantities being in Imperial measure (cwt. equals 112 lbs.) and values in pounds sterling:—

FOOD

Ships' Biscuits.—16,206 cwt., £32,068: United Kingdom.

Fish, Canned or Preserved.—7,909 cwt., £21,312: Portugal, 1,757 cwt., £5,008; United States, 1,165 cwt., £3,353; Spain, 1,614 cwt., £2,964; Japan, 1,411 cwt., £2,861; Russia, 116 cwt., £927; Canada, 919 cwt., £2,513; United Kingdom, 390 cwt., £1,475; and Norway, 382 cwt., £1,288.

Fish, Dried, Salted, Etc.—204,029 cwt., £374,165: Norway, 196,617 cwt., £363,930; Spanish possessions, 3,684 cwt., £4,062; Iceland, 1,889 cwt., £3,225; United Kingdom, 732 cwt., £1,446.

Flour, Wheaten.—48,584 cwt., £45,610: United States, 45,272 cwt., £40,098; United Kingdom, 1,526 cwt., £2,678; Canada, 1,573 cwt., £2,539.

Salt, Other than Table.—1,050,041 cwt., £267,547: United Kingdom.

Butter.—1,969 cwt., £13,416: New Zealand, United Kingdom and Denmark.

Cheese.—783 cwt., £4,613: United Kingdom and Netherlands.

Confectionery.—2,968 cwt., £13,241: United Kingdom.

Jams, Jellies, Etc., Canned.—176,227 lbs., £5,464: United Kingdom and United States. (This item probably includes canned fruits.)

Lard.—1,366 cwt., £4,712: United Kingdom.

Milk, Evaporated.—5,996 cwt., £18,218: United Kingdom and Netherlands.

Milk, Condensed.—685 cwt., £1,735: Netherlands and United Kingdom.

Milk, Cream.—684 cwt., £2,388: United Kingdom and Netherlands.

Milk, Powdered.—533 cwt., £4,158: United States mainly.

Milk, Preserved, n.o.p.—2,847 cwt., £7,868: Netherlands, United Kingdom and Denmark.

Pickles and Sauces.—£4,226: United Kingdom mainly.

Sugar, Refined.—139,751 cwt., £104,886: United Kingdom and Czecho-Slovakia.

Vegetables, Dried, Canned, Etc.—2,059 cwt., £6,377: United Kingdom mainly.

Beef and Pork, Pickled or Salted.—1,769 cwt., £4,007: Brazil and others.

Meat, Fresh.—1,414 cwt., £8,100: United Kingdom, New Zealand and Argentina.

Meat, Canned.—3,660 cwt., £14,348: Argentina, United Kingdom, Netherlands, Uruguay.

Meat, Smoked or Cured.—2,852 cwt., £11,992: Denmark, United Kingdom, Lithuania.

DRINK

Beer.—470,805 gals., £72,097: United Kingdom and Germany.

Gin.—68,002 gals., £28,764: United Kingdom and Netherlands.

Whisky.—30,537 gals., £36,069: United Kingdom.

TOBACCO

Cigarettes.—347,872,400, £273,282: United Kingdom.

Tobacco, Unmanufactured.—2,587,467 lbs., £140,692: United States, 2,473,582 lbs., £133,616; South Africa, 51,271 lbs., £3,189; Nyasaland, 51,200 lbs., £3,169; United Kingdom, 9,045 lbs., £537.

WOOD

Lumber, Sawn or Hewn, not Dressed.—53,406 board feet, £3,384: United States, 38,738, £3,124.

Lumber, Sawn or Hewn, Dressed.—205,329 board feet, £3,756: United States, 55,688, £1,459; United Kingdom, 60,363, £531.

Wood and Timber, Unmanufactured, N.O.P.—£2,838: mainly United States.

Casks, Shooks, Staves and Headings.—£116,640: United Kingdom, £47,773; United States, £45,021; Germany, £20,647; Netherlands, £2,883.

Wood, Manufactured, N.O.P.—£28,436: Germany, United Kingdom, Sweden and others.

IRON AND STEEL

Buckets, Pails and Basins.—244,159 doz., £38,157: Japan and Germany.

Bars, Rods, Angles, Shapes and Sections.—£36,689: United Kingdom mainly.

Beams, Girders, Joists and Pillars.—£14,812: United Kingdom.

Corrugated Iron Sheet.—£74,645: United Kingdom and Belgium.

Plates and Sheets.—£29,658: United Kingdom.

Other Sorts.—£105,489: United Kingdom and United States.

RAILWAY MATERIAL

Steel Ties, Fish Plates, and Spikes.—£53,486: United Kingdom, also Germany.

Steel Rails.—£14,915: United Kingdom and Germany.

Sundry.—£408,500: United Kingdom mainly, also United States, Belgium, Japan, and others.

Wagons and Trucks.—£49,112: United Kingdom mainly.

Locomotives.—14, £28,298: United Kingdom, 4, £24,053; Germany, 10, £4,245.

MACHINERY

Agricultural.—£4,050: Germany. *Electrical*.—£47,557: United Kingdom mainly. *Industrial*.—£29,316: United Kingdom mainly. *Marine*.—£14,415: United Kingdom. *Mining*.—£123,562: United States, United Kingdom and Netherlands.

Sewing Machines.—£22,446: United Kingdom and Germany.

Typewriters.—£9,019: United Kingdom, United States and Germany.

Water Boring and Pumping.—£30,224: United Kingdom. *Sundry*.—£67,540: United Kingdom.

VEHICLES

Cycles and Parts.—£64,459: United Kingdom, also Germany.

Automobiles, Passenger.—886, £127,378: United Kingdom, United States and Germany.

Automobiles, Commercial.—261, £50,351: United States, United Kingdom, Canada, and Germany.

Chassis with Engines.—225, £34,218: United States mainly.

Automobile Parts.—£46,926: United States, United Kingdom, Germany and Canada.

Tractors.—18, £10,593: United States, also United Kingdom.

Rubber Tires.—117,568, £48,240: United Kingdom and others. *Rubber Tubes*.—134,398, £12,402: United Kingdom and others.

TEXTILES

Textile yarns and fabrics are imported principally from the United Kingdom, but also in fair quantity from other manufacturing countries, such as Germany, Switzerland, Belgium, China, Japan, India, Italy and France and so on. The total values of each main type imported in 1938 were: cotton yarns and fabrics, £1,945,400; silk fabrics, £32,437; artificial silk fabrics, £359,278; woollen yarns and fabrics, £65,538; bags and sacks, 10,317,510, £196,002 (mainly from India).

MANUFACTURED ARTICLES

Apparel.—£201,863; including boots and shoes of leather, 78,261 pairs, £16,514, from the United Kingdom and Czecho-Slovakia; of rubber, 368,782 pairs, £23,413, from Japan and Czecho-Slovakia.

Beads.—£29,930: Czecho-Slovakia and Germany.

Calcium Carbide.—7,335 cwt., £11,020: Yugoslavia, United Kingdom, Poland and France.

Chemicals, N.O.P.—£55,827: United Kingdom, Belgium, Germany.

Dyes and Dyestuffs.—£14,884: Switzerland, United Kingdom and France.

Medicines and Drugs.—£105,408: United Kingdom and Germany.

Paints and Colours.—£38,187: United Kingdom and Germany.

Soap.—£33,319: United Kingdom mainly.

Clocks and Watches.—£7,914: Germany and Switzerland.

Cutlery.—£11,864: Germany, United Kingdom, France.

Implements and Tools, Agricultural.—£28,507: Germany mainly; *Artisans*.—£30,430: United Kingdom and Germany; *Other*.—£29,838: United Kingdom mainly.

Radios.—759 sets, £7,466: Netherlands and United Kingdom. *Radio Parts*.—£7,504: United Kingdom mainly.

Electrical Articles, N.O.P.—£91,212: United Kingdom mainly.

Earthenware.—£58,520: Japan and Germany.

Glassware.—£18,080: United Kingdom, Germany, Belgium.

Bags, Trunks and Valises.—£9,474: United Kingdom, also Germany.

Blackening and Polishes.—£6,864: United Kingdom.

Brooms and Brushes.—12,517 doz., £4,515: United Kingdom mainly.

Cement.—49,945 tons, £149,881: United Kingdom and Germany.

Cordage.—6,121 cwt., £30,512: United Kingdom, also Japan.

Twine.—4,117 cwt., £10,396: Germany, United Kingdom, India.

Lamps and Lanterns.—24,050 dozen, £21,117: Germany, also United Kingdom.

Leather.—£1,027: United Kingdom mainly.

Oilcloth and Linoleum.—£1,163: United Kingdom.

Paper.—£41,159: United Kingdom mainly.

Petroleum Products.—£387,652: United States, Dutch West Indies, United Kingdom.

Rubber Goods (Other than Tires and Tubes).—£2,603: United Kingdom mainly.

Stationery.—£75,776: United Kingdom mainly.

Toys and Games.—£12,221: United Kingdom mainly.

DISPLACEMENT OF GERMAN TRADE

In 1910 and up to the outbreak of war in 1914, Germany supplied 13 to 15 per cent of the total imports of merchandise into Nigeria. This trade recom-

menced in 1920, and by 1927 had been rebuilt to over 11 per cent of total imports. Since 1930 it has dropped away, being as low as $5\frac{1}{4}$ per cent of total imports in 1934, but amounting to $9\frac{3}{4}$ per cent in 1938, when the value of commercial imports from Germany totalled £753,751. The principal commodities concerned, with values in 1938, were:—

Salt, £22,149; beer, £29,604; provisions, £4,193; apparel, £7,911; hats, £1,994; chemicals, £5,892; medicines and drugs, £15,264; coopers' stores, £20,647; clocks and watches, £4,041; cutlery, £7,611; implements and tools, £37,728; earthenware, £22,404; glassware, £5,519; iron manufactures, £82,025; tin manufactures, £2,213; sewing machines, £8,176; steamships, £28,194; motorcycles, £2,617; umbrellas, £4,892; cotton piece-goods, £26,023; woollen goods, £1,751; haberdashery and millinery, £1,702; jewellery, £1,518; musical instruments, £4,083; perfumery, £7,655; clay smoking pipes, £1,626; stationery, £5,097; cement, £29,687; arms and ammunition, £8,358; beads, £9,491; paints, etc., £3,836; electrical goods, £8,851; electrical machinery, £2,907; railway material, £25,905; agricultural machinery, £3,423; industrial machinery, £4,058; mining machinery, £2,810; automobiles and parts, £29,621; artificial silk goods, £82,847; lamps and lanterns, £14,842; petroleum products, £9,441; ships and boats, n.o.p., £21,883; cordage and twine, £4,615; wood, manufactured, £9,594.

WHEAT IN ARGENTINA

J. A. STRONG, CANADIAN TRADE COMMISSIONER

Buenos Aires, November 29, 1939.—The production of wheat in Argentina is confined to a central zone more or less rectangular in shape, running some 575 miles from north to south and about 350 miles from east to west. This area is generally referred to as the cereal and live-stock zone. It represents only about one-fourth of the total area of Argentina and is almost entirely within the provinces of Buenos Aires, Santa Fé, Cordoba, and Entre Rios, with a small section extending into the territory of La Pampa. It is encircled on the north and west by a narrow, semi-arid margin of grazing land extending rapidly into desert country. The south and west of the zone borders the Atlantic Ocean, with the Parana River, which is navigable for ocean-going vessels, cutting through the northeast section.

This cereal and live-stock zone is a fertile and highly productive region with virtually no waste land. It is extremely flat; hence the word "Pampa", which means prairie. It was originally treeless and trees are now found only in the parks and lanes adjoining the houses on the large estates or "estancias". The very few hills are landmarks in the country. Sweet water is found close to the surface almost throughout the zone, making it ideal for grazing live stock. There are approximately 50 million acres sown to grain annually in this zone and it supports over 22 million cattle and 18 million sheep as well as horses and pigs, according to the census of 1937.

There is no mixed farming in Argentina. Grain growing and live-stock raising are carried on as entirely separate and independent enterprises. Grain is produced as a cash crop and largely for export, apart from the wheat that is required for home consumption and the malting barley for domestic use. Live stock is grazed and finished outdoors the year round, with only a small percentage of the corn acreage figuring as a feed reserve or of the rye and oats crops as a forage crop. The relatively small pig population is fed on corn and alfalfa, but in the main grain is produced and sold for cash by the farmer in Argentina.

GRAIN GROWING AREAS

The distribution of the areas sown to the various grain crops, including wheat, corn, flaxseed, barley, oats, and rye, and of the area in pasture for the cattle and sheep within this cereal and live-stock zone, is dependent on variations in soil and climate. A central section, south and east of Rosario and extending along and to the south of the lower Parana River, consists of a fertile,

black-silt top-soil over a deep subsoil. Corn production is concentrated in this section. Wheat predominates in a central section of the provinces of Cordoba and Santa Fé and in the area bordering the Atlantic Ocean in the south of the province of Buenos Aires. This latter section produces the best hard-type wheat that comes from Argentina. Climate and soil factors do not make this section suitable for other grains. Certain parts of the province of Entre Rios, where the rainfall is abundant, are best suited to flaxseed as against either corn or wheat. While these particular areas within the cereal zone do concentrate or tend to concentrate on a single grain crop, there is competition for land utilization dependent on comparative ruling prices and on comparative yields over a large section of the grain-producing and grazing zone.

The effect of soil conditions on land utilization is also found in a group of adjoining counties in the west-central part of the cereal and live-stock zone. These counties, due to their light and well drained soil, are eminently suited to the growing of alfalfa. There the bulk of the 14 million acres in alfalfa in Argentina is found. These counties finish the greater part of the export cattle and are as well the centre of the pig production of the country.

Another section along the east Atlantic coast of the province of Buenos Aires provides excellent natural grass for pasture and is, therefore, devoted to the breeding of cattle for sale as stockers to the finishing zone in the previously-mentioned alfalfa area. It is also excellent for horses. Comparatively little grain is normally grown in this breeding section. However, generally speaking, live stock is raised and grain grown alongside but independent of each other throughout the entire cereal and live-stock zone in Argentina. In few sections is less than 50 per cent of the area under pasture.

LAND TENURE AND PRODUCTION CONDITIONS

The farming and grazing land in Argentina is almost exclusively in very large holdings. The normal operating unit is probably 15,000 to 25,000 acres, although a landowner frequently owns several units of this size distributed as insurance against drought through the cereal and live-stock zone. There are practically no small owner-operator farmers in Argentina. The usual practice is for a large landowner, let us say, with a unit or units of 15,000 acres, to operate the live-stock raising end himself or through a salaried manager and to get his rotation by renting a part to small farmers to grow two grain crops. If the landowner decides to rent one-third of the unit, he will put 10 to 15 tenants on it, depending on the unit-size customary in the particular section. Land is usually leased for grain farming on a share basis. After two crops, the land is seeded down again for pasture. In certain areas, as in the section where corn production is concentrated, grain is grown year after year on the same land without any rotation of crops.

A few of the large landowners grow the wheat themselves or under their direct management and others lease land to grow wheat on a large scale; but the normal method of wheat and other grain production in Argentina is by tenant farmers or share-croppers operating 250 to 500 acres, according to the district. The majority of these share-croppers are of southern European origin, mostly Spaniards and Italians who have as yet a comparatively low standard of living, although the most modern implements of cultivation are employed. Due to the short term of their leases, their houses are usually only mud.

The greater part of all the wheat produced in Argentina is harvested with combines. The climate and the level terrain are both eminently suited to the use of combines in Argentina. Tractors are not so widely used, however, due to the low original cost and low maintenance cost of horses. Argentina is a low-cost producer of wheat based on extensive methods of cultivation, the use of modern equipment, a low standard of living among the actual farm operators, and a productive soil. Drought, locusts, late frosts, and excessive rainfall (as this year), represent the principal adverse factors.

AREA SOWN TO GRAIN

Argentina had an average of over 33 million acres under cultivation to the six principal grain crops for the period of the last Great War. Approximately 50 per cent of that acreage was in wheat. There was a reduction in the area sown to grain during the post-war slump after 1923. Thereafter a steady increase in the aggregate acreage in grain took place in almost successive years until 1930. After a moderate decline in the following three years, another advance occurred to the peak area of approximately 52 million acres in 1934-35. The explanation of the expansion during the twenties lies in the adoption of combines, (although their increased use was also partly the effect of expansion), and in the relatively high prices ruling for grain.

WHEAT ACREAGES

From 1914 to 1924 the area sown to wheat showed little change. The lowest acreage was 14,234,610 acres in 1921-22 and the highest 17,867,980 acres in 1917-18. For the five years 1913-14 to 1917-18 the average was 16,412,923 acres and for the next five years the average was 15,972,057 acres. In 1925 there was an increase from 17,785,235 acres in the previous year to 19,189,405 acres.

This advance continued in the next three years, with a peak of 22,770,930 acres being reached in 1928-29. There was a falling-off in the following three years and the acreage has not again reached that level. For the five years ending 1932-33 the average was 20,316,046 acres and for the five years ending 1937-38 it was considerably lower at 17,873,562 acres. The area under wheat in 1938-39 was 20,859,150 acres, according to provisional figures, and for 1939-40 it is placed at 17,603,191 acres.

VARIETIES OF WHEAT GROWN

The absence of premiums or higher farm prices for quality has tended to place the emphasis on yields of wheat in the selection of varieties by the farmer. However many new pedigreed varieties have been introduced since the last war and since 1933, direct measures have been taken by the Government towards the elimination of varieties that have undesirable milling characteristics. Success has been achieved in eliminating some of the most undesirable varieties that used to predominate in the crop. A recent official analysis shows that six of the leading varieties account for approximately three-fourths of the entire production.

Since the wheat-producing zone runs north and south, there are variations in the adaptability or varieties due to differences in climate. Usually the spring varieties are associated with the more humid climatic conditions found in the warmer sections, while the winter varieties tend to predominate in the colder area around Bahia Blanca. This difference due to climate is not final, however, since the winters are mild and wheat can be sown through the entire winter. Similarly, the wheats produced in the warmer areas are the soft or semi-hard types and are sold as "filler" wheats, while only a very restricted section of the colder area can produce hard-type wheats of a quality at all comparable to some North American spring wheats.

The bulk of the wheat is sown in Argentina from May to July. Harvesting takes place in December and January, depending on differences in latitude and to some small extent on differences in varieties or types.

WHEAT YIELDS

The average yields obtained for wheat are normally somewhat lower in Argentina than in Western Canada. High yields are obtained in particular zones; but declines in yields, due to differences in rainfall as between producing

districts, are frequently sharp. The proportion of the Argentine crop produced in the highest-yielding zones is small. A good proportion of the wheat is accounted for by the zones that average up to 12 to 13 or 14 bushels per acre or close to the long-term average yield for the entire country.

INTERNAL TRANSPORTATION

The bulk of the Argentine wheat crop is hauled from the farms in jute bags of 132 to 140 pounds. Argentina buys approximately 20 million dollars worth of raw jute annually from India. The landlord usually takes his 25 to 30 per cent of the tenants' crop as rent direct from the field or combine and hauls it himself to the local railway station or direct to port if conveniently situated. The old system of hauling in high-wheeled horse-drawn wagons or carts has been rapidly disappearing in recent years. The motor truck is commonly used now.

Argentina exports her wheat from 13 different ports that are open to ocean-going vessels. Of these seven are situated on the Parana and Uruguay rivers which cut through the cereal zone. Consequently few wheat-producing areas are very far from an ocean port. The average inland haul for Argentine wheat is scarcely more than 150 miles and a fair proportion can be trucked direct to the port of embarkation by the farmer himself. Progress has been made in recent years in the construction of hard-surfaced trunk roads throughout the country and the motor truck is offering more competition each year to the railways.

STORAGE FACILITIES

Argentina has few country elevators, which accounts for the use of bags. The practice is to store wheat at country rail points in bags placed on wooden platforms and covered with tarpaulins. This method of storage applies at the ports as well, particularly when there is a big crop as in 1938-39. The railways are obliged to provide a certain minimum storage capacity for grain at country rail points. These railway storage facilities consist of corrugated iron sheds, which are leased usually to country merchants.

Argentina has terminal storage facilities (apart from wooden platforms as referred to), for around 20 million bushels of wheat. The Argentine Government has undertaken a modern, terminal elevator construction program which will eventually more than double the present capacity. The terminal construction program has been divided into three groups of elevators. The construction of the first group is already well under way but the plans for the second and third groups have been deferred temporarily, due partly to the calls on the funds set aside for the purpose and latterly because of the war with the consequent high cost and difficulty in getting delivery of the necessary materials and equipment. Argentina normally ships 75 per cent of her exportable surplus of wheat between January 1, when the new crop comes on the market, and the end of July. This practice has not been possible with the big 1938-39 crop, due to lack of demand abroad. There will be a certain degree of deterioration as a result in the wheat stored in the available facilities.

MARKETING METHODS

The bulk of the wheat exported from Argentina is sold by two internationally known grain firms, Messrs. Bunge y Borne, and Dreyfus & Co. The country merchant is an important link in the marketing system. He is usually a general storekeeper in the country town or village. He advances credit in the way of food and supplies to the tenant grain farmer and after harvest buys the wheat. He may be the agent of Bunge y Borne, or of Dreyfus, or he may be quite independent. His name usually appears on the note of the farmer, given for farm implements purchased, and he acts as collecting agent for the implement

seller, such as the Massey-Harris Company or the International Harvester Company.

The country merchant may buy the farmer's wheat outright or accept it on "open price" contract. It is purchased on a test weight basis with premiums or discounts for wheat above or below 80 kilograms per hectolitre (64 pounds per bushel). Premiums, if any, are the result of bargaining between the seller and the buyer. In either case the farmer is entitled to an advance representing 96 per cent of the price of the day. With the "open price" contract, 80 per cent of the advance is considered as a loan on which he must pay interest but he can make an outright sale at any time within the period of the contract on giving 24 hours' notice. In both cases the final price is subject to adjustment on the basis of a standard of "fair average quality" established twice each year by the Grain Exchanges in Rosario and Buenos Aires from samples taken from all wheat shipments that have previously arrived at the ports. Deductions are made for inferiority but no premiums are paid. Disputes are arbitrated by a committee of the Grain Exchange.

It is a characteristic of the Argentine farmer that he is normally prone to gamble on price. Hence the "open price" contract method of sale is popular and frequently he takes a heavy loss, as was the case last year when wheat prices fell.

GRAIN EXPORTS

Grain is not only grown in Argentina as a cash crop for the farmer but mainly for export. Normally 60 per cent of the wheat, 80 per cent of the corn, and nearly 90 per cent of the flax-seed production goes into the export market. After allowing for the domestic consumption of malting barley, 60 per cent of that crop is exported too.

Some 95 per cent of all Argentine exports are grain and animal products. Grain may account for 45 to over 60 per cent of the total exports according to the size of the crops in a given year. It must not be assumed that Argentina is a strictly agricultural and pastoral country on this account. On the contrary, manufacturing industries have been developed and expanded almost to the same extent as in Canada so far as concerns the domestic consumption requirements for manufactured articles.

WHEAT EXPORTS

European countries as a group have been the principal consumers of Argentine wheat, except in 1936 and again in 1938 when the Argentine crops were small. Brazil is the important consumer among the Latin American countries and apart from 1932, when United States wheat entered that market, has been increasing her purchases steadily each year from Argentina. The following table, showing exports of Argentine wheat from 1927 to 1938, indicates the importance of the different geographical groups in its consumption:—

Argentine Exports of Wheat

	United Kingdom Bushels	Continental Europe Bushels	Latin America Bushels	Far East Bushels	Other Bushels	Total Bushels
1927..	39,568,031	89,130,427	22,416,911	.....	3,960,260	155,075,630
1928..	50,850,786	114,325,308	25,583,553	15,818	3,581,999	194,357,464
1929..	81,460,568	129,750,024	28,525,222	129,881	2,843,956	242,709,651
1930..	24,391,003	33,766,789	22,394,450	.....	679,134	81,231,376
Average	49,067,597	91,743,137	24,730,034	36,424	2,766,337	168,343,530
1931..	41,880,572	60,588,103	28,594,218	502,386	1,974,350	133,539,629
1932..	37,388,125	73,673,158	13,876,902	287,104	1,100,780	126,317,069
1933..	44,989,869	57,894,544	34,238,861	6,054,399	1,024,811	144,202,484
1934..	69,812,392	67,775,835	33,264,697	3,850,784	1,226,808	175,930,515
Average	48,517,740	64,732,910	27,491,420	2,673,668	1,331,687	144,997,424
1935..	38,084,030	56,996,201	39,922,370	4,035,018	2,625,922	141,663,541
1936..	5,942,060	15,387,062	37,473,269	.....	298,738	59,101,129
1937..	25,374,197	76,483,497	39,400,349	542,022	859,991	142,660,057
1938..	10,407,423	17,456,208	43,064,844	40,187	242,404	71,211,065
Average	19,951,928	41,580,742	39,965,208	1,154,306	1,006,764	103,658,948

The foregoing figures show clearly how consumption of Argentine wheat by Continental European countries has fallen in the last ten years.

FAIR AVERAGE QUALITY

Argentine wheat is sold for export on the basis of "fair average quality." For example, from each cargo arriving in England samples are taken of the different recognized types of Argentine wheat, such as Rosafé, a semi-hard "filler" wheat from the Rosario district, or "Barusso," the Argentine hard-type wheat from the Bahia Blanca district, etc. At the end of each month the average quality as determined from these samples is taken as the basis for payment for cargoes arriving the following month, with premiums or discounts applying as the case may be. Wheat for Brazil is selected by the trade to suit the known requirements of the flour mills in Brazil.

GRADING SYSTEM

The Argentine Government set up a Grain and Elevators Board in 1935 with duties and powers somewhat similar to those of Canada's Board of Grain Commissioners. A new official grading and inspection system has been established. Instead of the former terms of Rosafé, Barusso, Baril or Up-River, the new regulations provide for the adoption of 18 grades of Argentine wheat within which f.a.q. standards are established each year. The official standards comprise three types, hard, medium, and soft, for each of the three producing zones, namely Rosafé, Buenos Aires, and Bahia Blanca; and two grades within each type based on test weight and physical factors. Wheat that does not conform to the standards must be marketed on sample. The classification of the wheats by types is based on varietal analysis on the assumption that quality from a milling point of view is a varietal characteristic.

The adoption of the new grading system has not had any marked effect so far on the method of buying wheat within Argentina except in the terms used on the grain exchanges; but the Grain and Elevators Board hopes ultimately to have their "certificate final" adopted both in the domestic and export markets. The Board has done much constructive work in the matter of inspection of cargoes, varietal analysis of the crop, the elimination of undesirable varieties through their control of the sale of pedigreed varieties, laboratory analysis to determine milling quality and in disseminating market and other information of interest to their wheat producers.

GUARANTEED PRICES TO PRODUCERS

The Argentine Government set up a Grain Regulating Board in 1933. The function of this Board is to make effective the guaranteed minimum prices that have been adopted in various years for wheat and certain other grain producers by the Argentine Government. Apart from the guaranteed price of about the equivalent of 90 cents a bushel, fixed in 1935 when Argentina had a small crop, the policy has been to fix the guaranteed minimum price at a level close to the estimated cost of production. Losses incurred are paid from the "Exchange Profit Fund" which comes from the margin of profit taken by the Government between the buying rate of exchange for export bills and the selling rate to importers of merchandise and to others remitting exchange abroad. Argentina has a complete system of exchange control.

The Grain Regulating Board was fortunate in incurring no major losses on grain handled until the present crop year. Market factors abroad have favoured the Board at critical times. The guaranteed price of approximately 59 cents per bushel for the 1938-39 period was withdrawn at the outbreak of war.

OUTLOOK

The basic influences in Argentina have tended towards putting a larger proportion of the area within the cereal-livestock zone in grain at the expense of pasture. This trend was most pronounced during the twenties, but it was checked temporarily during the depression years due to continued low grain prices. The war has improved again the comparative position of the cattle-raising industry due to the increased meat purchases by the Allies, which make possible reasonably good prices to cattle breeders. The economic factors that are making for the breaking-up of the large estates—although admittedly little progress along that line has been made so far; the shorter period of life of the alfalfa stands, which makes re-seeding with a grain crop necessary; and the fact that it is the tenant farmer who must bear the greater share of the burden of low grain prices, while the landowner himself stands only to lose with low cattle prices; all these tend to increase the grain acreage.

As between the different classes of grain, the fact that practically all the grain is grown for sale as a cash crop makes relative price levels as between the different grains an important influence in the sowing of one grain as against another, say wheat as against corn or flax, within the limits of adaptability of each crop to a particular section.

Wheat Flour

The Argentine flour milling industry milled 78,338,609 bushels of wheat during 1938. The production of wheat flour was 17,264,531 barrels and of sub-products 12,959,834 cwt. in 1938.

Argentine exports of wheat flour amounted to 945,416 barrels in 1938 as compared with 1,070,955 barrels in 1937. The United Kingdom took 247,939 barrels; Brazil, 246,487 barrels; Paraguay, 193,309 barrels; Holland, 36,248 barrels; Bolivia, 84,453 barrels; and other countries, 136,980 barrels. In addition the United Kingdom took 4,536,016 cwt. of bran and shorts out of a total of 6,256,092 cwt. exported in 1938.

The following table shows the production and distribution of wheat flour in the twenty years, 1919 to 1938, in Argentina:—

Production and Distribution of Wheat Flour

	Wheat		Production		Flour Distribution	
	Exported	Milled	Flour	By-products	Domestic	Exported
	Bus.	Bus.	Bbls.	Tons	Bbls.	Bbls.
			Figures in Thousands			
1919-23	128,783	50,980	10,820	...	9,094	1,725
1924-28	139,161	64,352	13,815	...	11,689	1,783
1928	194,000	69,270	14,971	...	13,069	1,901
1929	242,700	67,542	14,619	...	13,078	1,540
1930	81,200	65,345	13,983	516	12,810	1,173
1931	133,500	69,865	14,932	554	13,962	968
1932	126,300	67,436	14,567	520	13,915	651
1933	144,200	69,795	15,075	538	13,961	1,112
1934	175,900	71,063	15,918	561	14,676	1,242
1935	141,700	74,418	16,153	573	15,157	995
1936	59,101	71,278	15,389	561	14,503	886
1937	142,660	71,712	15,970	526	14,899	1,070
1938	71,211	78,338	17,265	588	16,319	945

Conversions for this table are at rate of one metric ton equals 11.25 barrels flour and 22.05 cwt.

The purchases of Argentine wheat flour by Brazil have been declining due to increased milling capacity in that country. Shipments amounted to 246,487 barrels in 1938 as compared with 347,378 barrels in 1937 and 333,079 barrels in 1936.

BRAZILIAN WHEAT AND FLOUR MARKET

L. S. GLASS, CANADIAN TRADE COMMISSIONER

Rio de Janeiro, October 31, 1939.—According to the report of the London Wheat Trade Council, Brazil is expected to consume 1,259,973 tons of wheat in 1939, a slight increase over the average for the 1934-36 period. Brazil ranks twenty-second as a wheat consuming country despite the fact that the population is over 40,000,000, the majority of whom live in a tropical or semi-tropical climate, which generally presupposes a great demand for farinaceous products. This is undoubtedly due to the presence in Brazil of an abundance of indigenous farinaceous plants which are used instead of wheaten products. Among such crops are rice, maize and manioc or cassava. Generally speaking, Brazil has in the past been more interested in the production of those commodities particularly adapted to the country and which find a ready sale on world markets rather than in producing those crops which would make her independent of purchases abroad.

Thus, until the beginning of the last decade Brazil's interest lay chiefly in the production and exportation of coffee, and when more diversified crops were found desirable the tendency was toward the production of cotton. It was only in 1936 that more than cursory attention was given to the production of wheat, when it was suddenly realized that the value of imports of wheat per diem amounted to 779 contos of reis or something over \$50,000. Since that time a careful survey of the potentialities of Brazil as a wheat-growing country has been made, and efforts have been directed toward the encouragement of wheat production. As a result, Brazil, which has in the past been an important importer of both wheat and flour, may soon become at least partially self-sufficient in the production of these two important commodities.

IMPORTS

The following table shows the total imports of wheat into Brazil for each of the ten years 1929 to 1938, with the principal countries of supply:—

Year	Total Imports Bus.	Argentina Bus.	Chile Bus	United States Bus.	Canada Bus.	Uruguay Bus
1929..	27,350,000	26,700,000	.....	118,500	.....	487,000
1930..	23,800,000	21,800,000	337,000	1,050,000	208,000	403,000
1931..	29,100,000	24,800,000	.....	4,300,000	.....	.....
1932..	28,300,000	9,890,000	.....	18,440,000	.....	.....
1933..	31,200,000	28,600,000	.....	2,300,000	218,000	18,000
1934..	29,690,000	29,300,000	12,000	.....	233,000	160,000
1935..	32,320,000	32,250,000	.....	.....	.....	.....
1936..	33,610,000	33,550,000	.....	.....	.....	.....
1937..	34,100,000	33,300,000	.....	732,000	.....	45,000
1938..	38,029,000	38,000,000	.....	.....	.....	29,000

It will be noted that wheat imports have steadily increased during this period. The average annual imports for the years 1921 to 1937 inclusive were 24,800,000 bushels. This increase has been due almost entirely to the greater development of milling facilities within Brazil rather than to any increased national consumption of wheat and wheat products. It will be noted further that, with the exception of the years 1931 and 1932 and, of secondary importance, 1930 and 1933, something over 90 per cent of all imports of wheat have been from Argentina. The heavy imports from the United States might be regarded as abnormal, as these imports were made in accordance with a special agreement between the United States and Brazil whereby Brazilian coffee was exchanged for American wheat. Due to various factors, among which are shorter and cheaper ocean haul and the fact that the major portion of the Brazilian milling trade is controlled by foreign enterprises firmly

established in Argentina, the Argentine has been, and will undoubtedly continue to be, the major source of supply for Brazil's imports of wheat. A further consideration, resulting to a great extent from the foreign control of the mills in Brazil, is that in Argentina a special grade or mixture of wheat has been developed which is found most suitable for Brazilian requirements.

This centralized control of milling in Brazil and the close relationship which exists between the control and Argentina has to a considerable extent relieved Brazilian mills from the necessity of conducting their import business along the lines laid down by international practice. Furthermore, as a rule, if Brazilian millers are in the market for wheat other than Argentine or Uruguayan, purchasing is done through their head offices in London or branch offices in New York, the local offices having practically no voice in the purchases or in the selection of the source of supply.

FLOUR IMPORTS

Coincident with the increase in imports of wheat there has been a steady decline in the total imports of flour, as shown in the following table:—

Year	Total Imports	Argentina	Paraguay	United States	Canada	Uruguay
		Figures in Bags		of 126 Pounds		
1929	1,820,000	910,000	4,200	760,000	....	140,000
1930	1,710,000	640,000	3,500	830,000	9,200	100,000
1931	685,000	281,000	3,500	393,000	130	4,600
1932	56,200	25,650	....	30,300	....	250
1933	552,000	348,000	5,800	135,000	....	43,900
1934	1,107,000	772,000	8,540	185,000	....	140,500
1935	510,000	388,500	1,800	76,500	1,000	42,000
1936	570,000	330,600	100	72,400	8,300	157,900
1937	463,500	349,900	....	65,600	6,400	41,400

Imports in 1938 totalled 23,837 tons; no figures are available, however, of quantities supplied by individual countries. There are two distinct markets for flour in Brazil; one extending northerly from approximately the State of Espirito Santo, and the other from Espirito Santo southerly. The former represents the only market for flours imported from the northern hemisphere, as the southern market is geographically better situated for importation from Argentina.

GOVERNMENT POLICIES

On November 30, 1937, a decree-law was passed intended to develop the production of wheat in Brazil, and a regulatory decree which was promulgated on February 3, set up the Wheat and Flour Trade Control Board. The wide powers to control the import of wheat and flour vested in the Board include the determination of the amount of national wheat which must be milled with foreign wheat or the amount of flour milled from national wheat which must be mixed with imported flour, and also the proportion of other products of Brazilian origin which must be mixed with flour of wheat, both imported and nationally milled. The Board also determines from time to time the price which must be paid by the mills for national wheat. They are also charged with experimental and educational work. A number of experimental stations have been projected and already four are in operation, one each in Rio Grande do Sul, Santa Catharina, Paraná and Minas Geraes. To supervise the studies for the development of the most satisfactory wheat varieties the services of an Italian agronomist have been obtained.

REGULATIONS IN FORCE

As from September 11, 1939, the extraction of flour from wheat has been set at 80 per cent for all grades of flour except in the case of special licences

granted by the Control Board for the production of special types of flour for dietetic purposes. Furthermore, to all flour milled from wheat must be added 10 per cent cassava or manioc flour, 5 per cent corn flour and 3 per cent rice flour. In the case of flours intended for biscuits and alimentary paste, the addition of corn and rice flours is not required, although there must still be added 10 per cent of cassava flour.

These regulations apply likewise to imported flour, and should this flour be of an extraction below 80 per cent—the usual type imported being considered as from 72 to 73 per cent extraction—there must be added 4 per cent wheat bran or a further 4 per cent manioc flour.

Every mill operating in the country is required to mill at least 10 per cent Brazilian wheat, the actual amount to be determined on the basis of the average annual output of the mill for the previous five years, and to all imported flours must likewise be added 10 per cent national wheat flour. Instead of using the actual wheat or wheat flour, a tax of 12 milreis per sack of 60 kilos of wheat on 10 per cent of their average production may be paid by the millers. Importers of flour will likewise pay the same tax based on the rate of 12 milreis per sack of 60 kilos, it being considered that when milled the wheat yielded 7 per cent of its weight in flour.

Imports of flour and wheat may be made only against permits previously obtained from the Control Board. The request for permits to import must disclose the type of product, the quantity, the country of origin, the name of the firm selling, the approximate date of shipment and the approximate date of milling or entering into consumption as the case may be. Providing the importing firm is recognized by the Control Board as being a responsible one, able to carry out the requirements of the regulations, no difficulty is met in obtaining permits.

EDUCATIONAL EFFORTS

The inauguration of experimental stations has already been mentioned. It is the duty of these stations to assist agriculturists in every way and to disseminate propaganda and educational material to farmers. In 1938, for example, 200 metric tons of seed wheat were distributed in Pernambuco, 360 tons in Santa Catharina, and 524 tons in Rio Grande do Sul. Seed was distributed gratuitously to the farmers of Rio Grande do Sul, Santa Catharina, Paraná, São Paulo, Goyaz, Minas Geraes, Matto Grosso, Rio de Janeiro, Espirito Santo, Bahia, Alagoas and Pernambuco. This seed was acquired and distributed by the Federal Government, and in addition the States of Paraná, Santa Catharina and Rio Grande do Sul distributed to their own farmers a total of 590 tons.

DOMESTIC WHEAT PRODUCTION

The average annual production of wheat in Brazil for the 1929-33 period is officially estimated at 56,300,000 bushels, which increased to an estimated total of 62,400,000 bushels in 1938. Rio Grande do Sul is the most important producer with an estimated production of 51,400,000 bushels in 1938, Paraná 6,420,000 bushels and Santa Catharina 4,650,000 bushels. Wheat was not produced in the State of Minas Geraes prior to 1937, but the estimated production for 1938 is 31,600 bushels and for Bahia 1,460 bushels.

It has been estimated officially that in Brazil there are 635,000 square kilometers (about 185,000,000 acres) suitable for the production of wheat. The greater proportion of this available land is in Minas Geraes, where it is estimated that 96,000,000 acres are available. In Paraná there are 30,000,000 acres, Goyaz has 21,000,000 acres, Rio Grande do Sul 17,000,000 acres, São Paulo 7,500,000 acres, Santa Catharina 7,000,000 acres, Pernambuco 900,000 acres, Bahia 5,000,000 acres, and Rio de Janeiro 700,000 acres.

Pernambuco, Bahia and Rio de Janeiro are in the coastal semi-tropical region of Brazil. Minas Geraes, Goyaz and São Paulo occupy the great inland plateau of central southern Brazil, where conditions for wheat production will probably become ideal. Paraná, Santa Catharina and Rio Grande do Sul are in the southern temperate zone of Brazil; up to the present these states have produced practically the whole of Brazil's wheat crop and are capable of enlarging their production many times.

From the experimental station at Ponta Grossa in the State of Paraná certain details are available concerning climatic conditions, which are very similar to those of Rio Grande do Sul. During the seeding season, which begins in the last ten days of June, the average temperature (10-year period) is 58° F. The precipitation varies so considerably at that time that an average is of little value. In 1926 there were 8 inches of rain in the 10-day period, whereas in 1933 only 1½ inch fell. However, in the 10-year period the precipitation was between 2·4 inches and 5·1 inches, and in three of these years it was 2·7 inches. Temperature during the period of germination remains practically unchanged with a tendency to increase, whereas precipitation increases markedly in seven out of ten years, being over 4 inches.

During the time occupied by the maturing of the blossom and beginning of heading, precipitation remains as before but the temperature increases to an average mean of 59° F. In the final period of ripening and harvest, rainfall decreases while average mean temperature increases to 67° F., with an average maximum of 89° F. Average yields per acre for this section were approximately 10 bushels.

Until the last few years types of wheat received little attention. In general use was a type of wheat which, although known under different names in various parts of the country, presents almost identical characteristics wherever it is found. This wheat was developed from natural selection over a period of years of constant replanting. Now, however, experiments are being carried out with various foreign types such as the Australian wheat "Florence," "Kenya Governor," the Italian wheats "Rieti" and "Puza," and the Argentine wheat "Barleta," as well as other types of European origin. In practically every instance these are being crossed with local wheat, and new varieties are appearing, mostly developed by the Ponta Grossa Experimental Station.

FLOUR MILLING

The number of mills officially registered in Brazil is 71, of which 54 are established in the State of Rio Grande do Sul, 7 in São Paulo, 2 in Santa Catharina, 3 in the Federal District, and 1 each in Paraná, the State of Rio de Janeiro, Bahia, Minas Geraes and Pernambuco. The greatest production is in the State of São Paulo with a total of 3,745,000 barrels. The Federal District is second with 3,608,000 barrels, followed by Rio Grande do Sul where 1,122,000 barrels are produced. Santa Catharina produces 150,000 barrels, Paraná 281,000 barrels, Rio de Janeiro 162,000 barrels, Bahia 204,000 barrels, Minas Geraes 6,600 barrels and Pernambuco 454,000 barrels. The total production is 9,740,000 barrels, of which the mills controlled by Messrs. Bunge & Born (represented by 7 in Rio Grande do Sul, 4 in São Paulo, 1 in Santa Catharina, the Federal District, Rio de Janeiro and Pernambuco) produce 5,115,660 barrels. The group of mills comprising 1 in São Paulo, 1 in the Federal District and 1 in Bahia, controlled by the Rio de Janeiro Flour Mills and Granaries Limited, produce 1,936,000 barrels. Two mills, controlled by the Ind. Reun. F. Matarazzo, in São Paulo and Paraná, produce 1,018,000 barrels, while the Grandes Industrias Minetti Gamba Limitada, with one mill in São Paulo, produce 558,000 barrels. Thus these four interests, controlling 21 mills, produce 8,627,660 barrels or approximately 90 per cent of the total production

of Brazil. In most instances, with the exception of the smaller mills belonging to Messrs. Bunge & Born in Rio Grande do Sul, they are located in coastal towns or, as in the case of São Paulo, within easy access of the coast, enabling them to economically ship by water to the various sections of Brazil. Thus it is only in the northern part of Brazil that imported flour of North American origin can hope to compete, and even there competition is very keen, and the greater part of the consumption is of national flour.

BAKING AND ALLIED TRADES

The most important feature of the baking trade of Brazil is its lack of organization and standardized practice. In the city of Rio de Janeiro there are listed nearly 500 different bakeries. As a rule, these are small establishments, employing but a few hands and often run by the owner's family. That so many small establishments may be operated profitably is made possible to a great extent by the fact that most of the grocery and foodstuffs trade is handled by innumerable small shops located in every section of any city or town.

Besides bread there is a large consumption of farinaceous pastes and biscuits. In the State of São Paulo during 1936, the last year for which statistics are available, the production of macaroni and similar products was 77,647,000 pounds, which represents probably one-third of the total production of Brazil. It may be said therefore that of macaroni products alone the production would be in the neighbourhood of 225,000,000 pounds a year. Actually in São Paulo there were 190 factories producing these products. Thirty-three other factories produced soda and water biscuits amounting to 6,800,000 pounds, which would probably be not more than one-fourth of the total production of Brazil and would bring the production of biscuits to over 27,000,000 pounds.

Mention has been made of substitutes for wheat and flour. In 1936 Brazil produced over 1,137,000 tons of rice, of which 53,000 tons were exported, so that the consumption of rice in Brazil was well over 1,000,000 tons. Corn, particularly now that an admixture of corn flour must be made, is also of importance, and in 1938 a total of 6,080,000 tons were produced, of which 126,000 tons were exported. Most important, however, of all products which may be substituted for bread is cassava or manioc, which is a tuberous root indigenous to Brazil and which, when dried, grated and pulverized or leached, forms the basic foodstuff of the poorest section of the population and more particularly of a large section of the population of the northern parts of Brazil. Over 5,000,000 tons of cassava were produced in 1938, all of which was consumed within the country.

POSSIBILITIES OF CANADIAN SALES

From time to time Canada has succeeded in exporting certain quantities of both wheat and flour to Brazil, although never in particularly large quantities. The United States succeeded for two years in exporting considerable tonnage of wheat to Brazil, but such exports were entirely artificial as they were purely a barter for Brazilian coffee and do not in any way represent the normal trend of purchases by Brazil. Wheat from Canada or the United States will only be bought when there is a shortage in Argentine production or when prices for the North American product are abnormally low. Generally speaking Brazil is not interested in No. 1 grade wheat. The general opinion is that No. 2 Northern is equivalent to the best grade which Brazil obtains from Argentina.

As regards flour, it has been stated previously that the only opportunity lies in the northern part of Brazil, and it is probable that the northern states for at least some years will continue to import a certain amount from North America. United States mills have been developing that market for many years and have spent considerable sums of money in educational propaganda and

advertising, with, however, but comparatively little concrete results beyond firmly establishing their brands on the market. One of the great drawbacks to Canadian sales are the terms which have to be extended to importers, as it is practically impossible to obtain any business without extending 90 days sight, and in these times of currency upsets, and in view of their lacking the intimate knowledge of conditions which United States firms have gained through years of experience, Canadian mills are, perhaps, wise in approaching the market with caution.

SOUTH AFRICAN WHEAT AND FLOUR SITUATION

J. C. MACGILLIVRAY, CANADIAN TRADE COMMISSIONER

(This report is intended to supplement and amplify a report on this subject recently published in the *Commercial Intelligence Journal*.)

Cape Town, November 22, 1939.—Although natural conditions in South Africa do not particularly favour its production, the cultivation of wheat has during recent years greatly increased in importance. It has been stimulated by a state subsidization scheme that guarantees the producer a fixed price which is well above world market level, while concurrently imports have been restricted by the application of a licensing system. As a result, production volume has increased to such an extent that a position close to self-sufficiency has been reached. During seasons when climatic conditions are such that the harvest is particularly abundant no supplies from abroad are required. At other times certain imports are still needed, although the volume of these has become much less than in the period which terminated about 1930. At one time Canada exported wheat to South Africa; a small amount of business is still done, but the bulk of the bread grain, when required, is now purchased in Australia.

The total population of the Union, according to the census of 1936, was 9,589,898. This figure includes 6,596,689 natives, 219,691 Asiatics, 769,661 coloured, and 2,003,857 Europeans. As the natives are not consumers of wheat, the actual extent of the market is much less than the total population indicates, and the use of wheat flour is largely confined to the white population, since the natives favour maize, which is the country's principal cereal crop.

The price of wheat in South Africa is determined chiefly by the size of the crop and the stabilizing measures of the Government Control Scheme. It is thus artificial and not subject to the influence of external factors.

PRODUCING AREAS

The most important wheat growing areas in the Union are situated in the southwestern part of the Cape Province. In the Malmesbury, Piquetberg and Caledon districts nearly all the available land is devoted to the cultivation of cereals. In the Northeastern Cape, and in the Eastern Orange Free State, the production of wheat fits into the farming system as a winter dry-land crop. In these areas the cost of production is generally lower than in the Southwest Cape, but the crop is less certain. A considerable volume is produced under irrigation in the Transvaal and in certain parts of the Cape Province other than the southwestern section. A limited quantity is also grown under irrigation in the Orange Free State. Of the total 1938-39 production, 55.4 per cent was grown in the Cape, 35.2 per cent in the Orange Free State, and 9 per cent in the Transvaal. Over the greater part of the Union sowing commences in April and continues until June. Harvesting takes place from October to December, the bulk of the threshing being done from November to February.

A special study made at the time of the 1934-35 agricultural census showed that out of 31,212 farms there were 15,057 producing less than 133 bushels

each, 6,902 producing from 166 to 330 bushels, 1,660 producing from 1,666 to 2,222 bushels, and 1,004 farms producing more than 2,222 bushels. Modern agricultural machinery is used on the larger wheat farms.

South African wheat is not handled in bulk but is packed in bags of 200 pounds.

There was a marked increase in the volume of domestic wheat production after 1930, the year in which import restrictions were first imposed. The average output of the pre-restriction period has more than doubled as the subjoined figures indicate:—

Year	Bushels	Year	Bushels
1910-11	3,867,716	1933-34	11,761,933
1915-16	7,309,800	1934-35	16,936,416
1920-21	7,763,366	1935-36	23,709,150
1925-26	9,209,633	1936-37	15,419,633
1930-31	9,552,066	1937-38	10,156,666
1931-32	14,109,700	1938-39	17,093,333
1932-33	10,875,333	1939-40 (estimated)	16,050,000

WHEAT VARIETIES

The wheat produced in South Africa has a low gluten content. Millers are forbidden to use any chemical strengtheners, and as a consequence the quality of the bread used in this country is poor. There is no standard variety of wheat produced. In the Southwestern Cape, the principal growing area, the leading types are known as Pilgrim, Sterling, Vondeling and Spring Early. Elsewhere in the Cape, Red Egyptian, Wolkoring and Oubaard are produced. In the Orange Free State and Transvaal the more important varieties include Red Egyptian, Rooi Lama, Bontar, Lalkasarwali, Rooi Kleinkoring and Kruger.

CONTROL OF GRAIN TRADE

The interest of the State in the production of wheat in South Africa goes back to 1917, when a Select Parliamentary Committee was formed to inquire into and report on what steps could be taken to increase the production of food within the Union. At the outset use was made of the customs tariff to protect the wheat-growing industry. This was not enough, however, to raise the local price to a sufficiently high level, and in 1930 this was implemented by legislation placing the importation of wheat and flour under permit. In addition to these quantitative regulations, it was further subsequently decreed that the landed values of imported wheat and flour must be maintained at 22s. 6d. and 37s. per bag of 200 pounds, respectively. This was made possible by the imposition of special variable duties superimposed on the original import duties. These measures alone, however, failed to bring stability to the industry. This was owing to the variations in annual production whereby at times the crop was exceeded by the consumption demands, while in other years there was a deficiency. Concurrently there is very little elasticity in the demand for wheat and wheat products. Consequently in 1935 legislation was passed, known as the "Wheat Industry Control Act," which created a central governing Board. The principal function of this organization was to encourage producers and their co-operative organizations to store wheat and thus regulate marketing by the payment of compensation for losses due to storage.

In the first year of its existence the Board was faced with the 1935-36 bumper crop of 23,709,150 bushels, coupled with which there was a substantial carryover from the year before together with low overseas prices. At this period, despite these factors, the collapse of the domestic wheat market was prevented. It soon became apparent, however, that additional restrictive measures would be necessary if a permanent rationalization of the market was to be achieved. Accordingly in October, 1938, the Wheat Industry Control Board

was reconstituted and given much wider powers. In brief these gave the Board monopolistic selling control. It provided that the Board could prohibit the producer selling his wheat to anyone but the Board, who were empowered to appoint agents to purchase wheat on its behalf at a price fixed by itself, and this wheat would then be resold to millers and other consumers. As a corollary, authorization was obtained to fix the prices of various wheat products such as bread, flour, and mill offal.

Up to the time this scheme became operative there was no legal basis for proper wheat grading regulations; everything had formerly been done on a fair average quality basis. As the result of the scheme for sale through fixed channels and at fixed prices, it became necessary to prepare a set of grading rules.

GRADING OF WHEAT

The various quality grades of South African wheat were first gazetted by official decree in October, 1938. These were supplemented by a Government Notice dated October 6, 1939, by which all domestic wheat is divided into three classes and six grades. It is specified that Class A shall be bread wheat consisting of at least 80 per cent by weight of one or more of the following varieties: Manitoba, Kruger, Rooi Kleinkoring, Burbank, Florence, Farrartrou, Sterling, Kleintrou, Red Egyptian and Sunset. The quality of this Class A wheat shall not be below the definition for Grade 3.

Class B wheat is defined as being bread wheat consisting of one or more of the varieties not specified in Class A but containing less than 80 per cent by weight of one or more of six varieties of bread wheat falling under that class but of a quality below the definition of Grade 3. Class D consists of any wheat containing more than 10 per cent by weight of durum wheat.

All wheat, irrespective of class, is graded on a specific basis. Grade 1 must have a minimum bushel weight of 62 pounds, a maximum percentage of 2 per cent foreign matter, 5 per cent other wheat, 13 per cent moisture, 5 per cent broken grain, 5 per cent damaged grain other than broken grain, and a maximum of 7.5 per cent of damaged plus broken grain plus foreign matter. In addition to this Grade 1, Grades 2, 3, 4, 5 and 6, are provided for lower weights per bushel and higher percentages of foreign matter, overweight and broken and damaged grain. There is also an under grade for wheat which does not conform to any of the six grades.

Copy of the South African Wheat Grading Regulations is available for inspection by interested Canadian firms on application to the Department of Trade and Commerce, Ottawa.

WHEAT IMPORTS

The volume of wheat imported into South Africa has been reduced as domestic production has increased. This applies particularly to bread grain, apart from which certain limited quantities of overseas wheat have continued to be brought in at all times for the manufacture of biscuits and alimentary pastes. During seasons when the local harvest has been adequate, the limited imports have been confined almost entirely to wheat suitable for these purposes.

The following table illustrates the volume and value of total wheat imports into South Africa during the past ten calendar years:—

	Bushels	£
1929..	6,185,387	1,535,824
1930..	1,908,862	486,849
1931..	3,197,608	513,069
1932..	1,079,010	176,038
1933..	61,971	11,463
1934..	886,653	197,610
1935..	50,286	10,416
1936..	32,329	7,172
1937..	17,739	5,778
1938..	2,617,892	459,714

Whereas South Africa formerly imported Canadian wheat for blending purposes, there have been no purchases of consequence since 1934, and the small quantities which have come forward have been devoted exclusively to special uses. The bulk of the fairly substantial 1938 imports were drawn from Australia on account of price considerations. The South African market for Canadian wheat, therefore, which once approximated an average of about 1,000,000 bushels has contracted to insignificant proportions.

The volume and value of imports from Canada and Australia, the two principal sources of supply, have during the past ten years been as subjoined:—

	From Canada		From Australia	
	Bushels	£	Bushels	£
1929	939,864	276,496	3,996,133	968,731
1930	1,665,179	414,107	204,568	61,823
1931	2,281,144	389,318	897,730	120,653
1932	958,577	157,985	120,349	18,024
1933	39,248	7,227	22,450	4,158
1934	854,676	191,742	31,864	5,830
1935	24,196	5,351	24,935	4,757
1936	20,106	4,693	12,082	2,429
1937	17,555	5,693	.....	.....
1938	17,900	4,963	2,451,596	422,763

In 1938, in addition to Australia and Canada, Argentina was a source of supply, being credited with 148,282 bushels valued at £31,948. As regards the current period, in view of the domestic production estimate being well below the level of the preceding season, it is anticipated that total imports of some 2,000,000 to 3,000,000 bushels will again be necessary.

WHEAT EXPORTS

During big crop years there have been small quantities of wheat exported from South Africa. The only period in which these reached any volume was in 1937, when exports, most of which went to the United Kingdom, amounted to 980,911 bushels. A proclamation dated November 3 prohibits, except under permit, the exportation of all wheat and wheaten products.

SOUTH AFRICAN MILLING INDUSTRY

The Union of South Africa's wheat milling capacity is reputed to be 50 per cent in excess of requirements. This is due to imperfections of competition which permits the continued existence of old mills and the entry of new milling units which do not utilize their productive facilities to the fullest extent; it can be explained by present evolutionary processes of the industry.

Prior to the industrial and mining development in the Southern Transvaal, a large part of the country's demand for flour was from the seaboard provinces. Since wheat production was confined chiefly to the Western Cape Province and large quantities of wheat had to be imported in any case, there was a tendency to build near the coast, particularly in the Southern Cape. As the consumer demand shifted northward and wheat was grown in the same areas to an increasing extent under the stimulus of protection, new mills made their appearance in the Transvaal, thus increasing the total milling capacity available. These mills, which were built in wheat-growing areas in the Orange Free State and the Transvaal, are considered up to the present to have dubious advantages owing to the variability of the crop in those areas, with the ever possible necessity of having to rail wheat from the coast during seasons of low production.

While eight large commercial mills grind the bulk of South Africa's wheat, there are in addition a large number of small local grist mills located throughout the wheat-producing districts, which cater to the requirements of their immediate neighbourhoods only.

A census taken by the Wheat Industry Control Board covering the seasonal year ending September 30, 1937, listed the capacity of the flour-milling industry of the Union on the following basis:—

Milling Capacity Bags of 200 Pounds	Mills No.	Wheat Ground Bags	Per Cent of Total Wheat Ground
Over 125,000	8	2,534,541	56.46
50,001 to 125,000	9	770,243	17.16
25,001 to 50,000	8	317,867	7.08
15,001 to 25,000	10	187,074	4.17
10,001 to 15,000	8	104,453	2.33
5,001 to 10,000	26	165,874	3.70
1,501 to 5,000	87	224,635	5.00
1,500 and less	532	183,967	4.10
Total	668	4,488,654	100.00

FLOUR IMPORTS AND EXPORTS

Since the inception of the import permit system, the volume of flour imported into South Africa has shrunk to small proportions. In 1931 the total quantity, according to the Union statistics, was 48,484 barrels. Australia supplied nearly 50 per cent of this quantity, although Canada with 18,922 barrels (£19,044) was first from the point of value. The United States was the only other contributor of importance. By 1938, imports from all sources had contracted to only 5,847 barrels, of which quantity 2,466 barrels (£1,667) originated in Australia and 2,000 barrels (£2,759) in Canada. Most of the small balance was credited to Southern Rhodesia and the United Kingdom.

In addition South Africa has developed a small export trade in flour; in 1938 it amounted to 1,351 barrels. Portuguese East Africa took nearly 50 per cent of this quantity, most of the remainder going to other parts of the sub-continent. Since the outbreak of war there has been some milling of Australian wheat in bond, the resulting flour being sold in Mauritius and the Belgian Congo.

IMPORT DUTIES

The intermediate duty on wheat imported into South Africa, and which is applicable to all countries except the United Kingdom and Canada, is 2s. 8d. per 100 pounds. A preferential rate of 2s. 6d. is granted to wheat of British or Canadian origin. In addition to the foregoing there is, however, a special levy equal to the difference between the fixed price of domestic wheat and the landed duty-paid price of the foreign product. As imports are allowed only under permit, however, and the cheaper the wheat the higher the revenue, there has been a tendency on the part of the authorities to favour wheat from such countries as Australia as against the higher quality but more expensive product from Canada.

UNITED KINGDOM IMPORT LICENSING REGULATIONS FOR
IRON AND STEEL

The Chief Canadian Trade Commissioner in London writes that at the request of the Ministry of Supply the Board of Trade have issued an Order—The Import of Goods (Prohibition) No. 10 Order, 1939—adding to the list of goods which may not be imported except under licence, those goods set out in the appended schedule.

The intention of the order is to facilitate the purchase and transfer of all necessary supplies of iron and steel, and of iron and manganese ores and other materials used in the manufacture of iron and steel. So far as practicable, importations will pass through the normal trade channels.

The order comes into force on December 18, 1939, but any goods covered by the order which are proved to the satisfaction of the customs authorities

to have been dispatched to the United Kingdom before the order came into force will not require a licence.

For licensing purposes the goods enumerated in the attached schedule fall into two broad classes: (a) iron and manganese ores, concentrates and residues; (b) other goods.

The procedure to be followed by United Kingdom importers will therefore vary as to whether they are interested in class (a) or class (b). The following directions aim at simplifying procedure as far as possible.

DIRECTIONS FOR OBTAINING LICENCES FOR IRON ORE OR MANGANESE ORE

For class (a), i.e. iron ore or manganese ore, an import licence will normally be required in respect of each cargo or parcel which it is intended to import. The import licence must be obtained for each consignment before the consignment is shipped.

Applications for import licences for iron ore and manganese ore must be submitted in duplicate, not on the ordinary standard form used by the Import Licensing Department, but on a special form, to the Director of Foreign Ores, Iron and Steel Control, 24 Old Broad Street, London, E.C.2.

After he has examined these applications the Director of Foreign Ores will pass them to the Import Licensing Department who, in approved cases, will issue and send the licence direct to the applicant.

In view of the impracticability of differentiating between iron and manganese ores required for iron and steel manufacture and such ores required for other purposes, for instance the chemical industry, it will be necessary for all applications for licences for these ores to be submitted through the Director of Foreign Ores.

DIRECTIONS FOR OBTAINING LICENCES FOR CLASS (b), I.E., ALL GOODS ON THE SCHEDULE OTHER THAN IRON ORE OR MANGANESE ORE

An import licence will be required in respect of each class of iron and steel goods which it is intended to import.

Applications for these classes of goods must be submitted in duplicate on the ordinary standard form used by the Import Licensing Department to the Iron and Steel Control, Steel House, Tothill Street, Westminster, London, S.W.1.

After the applications have been examined by the Iron and Steel Control, they will be passed to the Import Licensing Department who, in approved cases, will issue and send the licence direct to the applicant.

It will be observed that only iron and steel goods which are not charged with customs duty are included under item 7 of the schedule attached hereto. [See *Commercial Intelligence Journal* No. 1874 (December 30, 1939), pages 1248-9]. It is pointed out, however, that certain other categories of iron and steel goods have previously been brought within the scope of import licensing by other Import Prohibition Orders, in particular, by the Import Prohibition Order relating to Machinery [See *Commercial Intelligence Journal* No. 1869 (November 25, 1939), page 954], and in these cases applications for import licences should be made direct to the Import Licensing Department and not through the Iron and Steel Control.

Importers are advised that in order to expedite the issue of licences a separate application should be submitted not only for each class of goods but in respect of each proposed purchase or transaction.

SCHEDULE

1. Iron ore and scrap:

Iron ore, concentrates and residues, whether briquetted or not.
Iron and steel scrap and waste.
Ships imported for the purpose of being broken up.

2. Non-ferrous metalliferous ores and scrap:

Manganese ore, concentrates and residues.
Molybdenum ores, concentrates and residues.
Niobium (columbium) ores.
Tantalum ores.
Tungsten ores, concentrates and residues.
Vanadium ores, concentrates and residues.

3. Non-ferrous metals and manufactures thereof:

Cemented carbide metal.
Molybdenum metal.
Niobium (columbium) metal.
Tantalum metal.
Tungsten metal.
Vanadium metal.

4. Chemical manufactures and products:

Calcium silicide.
Molybdenum compounds.
Tantalum compounds.
Titanium carbide.
Tungsten compounds.
Vanadium compounds.

5. Ferro alloys:

Ferro alloys of all kinds, whether briquetted or not.

6. Silicon:

Silicon in all forms.
Silicon alloys, whether briquetted or not.

7. Iron and steel:

Iron and steel (including alloy steel) and articles of iron or steel (including alloy steel), of the following descriptions (but excluding articles which fall within any entry in the Schedule to the Import Duties General Order, 1935, as in force immediately after the coming into operation of the Import Duties (Exemptions) (No. 10) Order, 1939):—

Pig iron.
Ingots.
Blooms, billets and slabs.
Girders, beams, joists and pillars, whether fabricated or not.
Angles, shapes and sections, whether fabricated or not.
Colliery arches and pit props.
Bars and rods.
Plates and sheets.
Hoop and strip.
Railway and tramway rails.
Wire (including barbed wire), and wire cable and rope.
Upholstery and mattress wire springs.
Screws for wood, whether coated or plated or not.

8. Iron and steel products of the following descriptions:

Railway and tramway construction material, the following:—

Sleepers, tie rods, tie bars, fish plates, sole plates and continuous joint plates.

Railway and tramway rolling stock, the following:—

Wheels, tires, axles and buffers, whether assembled or not.

Tubes, pipes, and tube and pipe fittings (not including radiators, cased tubes and machinery parts).

Wire netting, wire fencing and wire mesh.

Nails, tacks and staples (excluding insulated staples, hobnails, studs and spikes).

Rivets and washers, bolts and nuts, bolt ends, coach screws, set screws, screw studs and other screws for metal.

REVIEW OF IMPORT REGULATIONS IN FRANCE

J. P. MANION, ASSISTANT COMMERCIAL ATTACHÉ

Paris, November 6, 1939.—A brief review of wartime import regulations in France was published in *Commercial Intelligence Journal* No. 1863 (October 14, 1939), page 713. It is only now, however, that a clear picture of trade regulations can be given. Indeed, the *Journal Officiel* of November 6 contains the first information concerning control of the metals and minerals trade, which is one of prime importance in wartime. As the organization in these industries is in general indicative of that which may be adopted with respect to others, the following brief review is offered.

As concerns iron ore, for instance, the Syndicate of Iron Mines is charged with the allocation of production, imports and exports among producers and consumers. Before the beginning of each month, every producer must provide a statement of stocks on hand and estimated production for the ensuing month. Each consumer is similarly obliged to state the amount of stocks he has on hand and his estimated consumption for the month. Contracts between mines and consumers may also be given, with tonnages involved and uncontracted supplies stated separately. Contracts may be cancelled arbitrarily by the Syndicate if other mines are economically better situated to supply the necessary tonnage to any iron or steel works.

The Syndicate, basing their decisions on supply and demand, transport considerations, quality, etc., will decide what proportions of each mine's supplies will go to each consumer, what proportion will be exported, and finally, what quantities will have to be imported.

By the 20th of the month preceding that for which it is established, the Syndicate must furnish to the Director General of Mines, Ministry of Public Works, the complete plan of allocation.

So far as imports are concerned, the Syndicate must first consult with the group responsible for imports of iron ore. If certain consumers already have direct contracts with foreign sources of supply, these contracts must be submitted for approval. If these contracts are not approved or there are no contracts, the group responsible for imports must make the necessary arrangements. Such arrangements are then submitted for approval to the Director-General of Mines in the form of a request for authorization to import, such approval constituting the import licence.

The group responsible for imports, in the absence of regulations to the contrary, is apparently authorized to make its import contracts as it sees fit, either through agents established in France, by direct negotiation with foreign producers, or by sending purchasing missions abroad.

In general the above is the procedure for the import and allocation of necessary raw materials. While the formation of many groups responsible for imports has previously been announced, the *Journal Officiel* of November 6 published for the first time the regulations governing the functions of certain of these, including those controlling the import of the following ores: iron, lead, zinc, antimony, manganese, tungsten, cobalt, molybdenum, vanadium, chromium, bauxite, spathfluor, barytes, titanium, zirconium, cerium beryllium, as well as mica and graphite. The names and addresses of bodies regulating the import of the above products, as well as those of all similar bodies formed up to date, is on file in the Department of Trade and Commerce, Ottawa.

IMPORT PROHIBITION

As stated in the report referred to above, a general import prohibition was applied at the beginning of the war. Imports could thereafter be under-

taken only after the application for and the granting of a special licence. At first these applications had to be addressed directly to the Ministries concerned, but since the formation of the groups responsible for imports it is advisable to apply through them.

It is to be noted that the control of imports of necessary war materials or raw materials has been delegated to the Ministry of Armaments, the Ministry of Public Works (for ores), and the Ministry of Agriculture (for foodstuffs). For non-essential manufactured goods, however, the control still rests with the Ministry of Commerce. Where imports have been regulated under quota in the past by certain organizations, these bodies continue to issue decisions regarding the necessity of continued importation. Where there was no quota control board before, an inter-professional Committee for General Imports has been created. The experts on this committee are usually the leading domestic manufacturers of the goods concerned.

The whole question of import trade is also closely linked with that of exchange control, a report on which was published in *Commercial Intelligence Journal* No. 1870 (December 2, 1939), page 1057. It should be noted that every application for an authorization to import must be accompanied by an application for foreign exchange to cover the transaction. The Ministry controlling imports of the products in question, when issuing an import permit, will also visa the application for foreign exchange, so that there should normally be no difficulty in obtaining foreign currency.

DOCUMENTS AND FORMALITIES

The importer must fill out four copies of a request for authorization to import. While the licence to be granted is still nominally under the control of the Ministry of Commerce, the request should be addressed to the Ministry responsible for imports of the product in question. This Ministry records its opinion in the space left for the purpose and forwards the request for a decision to the Ministry of Commerce. The latter is only a formality and is probably meant to facilitate the consolidation of all statistical information regarding probable imports. One copy of the visaed licence is sent to the customs office at the port of entry and another is returned to the importer. On the reverse side space is provided for the notation of each arrival under the licence, since the licence may cover several shipments.

In addition to the request for authorization to import, the importer must supply a certificate to the Foreign Exchange Office. There are three forms of certificate: (a) the type required if the imports are to be paid for in foreign currency; (b) if payment for the imports is to be made out of a previous general exchange permit; and (c) if no foreign exchange is required.

SHIPPING OF GOODS TO FRANCE

One of the greatest difficulties still affecting the export of Canadian goods to France is transportation. It is advisable for the exporter to quote f.o.b. port of embarkation, since it is almost impossible to obtain transportation rates through to a French port on ships whose final destinations in Britain are unknown. On the other hand, it is known that ships sailing directly to French ports still occasionally call at Canadian ports on the western or eastern seaboard. For shipments up to 100 tons it is therefore advisable for Canadian shippers to communicate with the Canadian offices of lines known to have served French ports prior to the war.

Shipments of over 100 metric tons are provided for by French legislation of October 14, a brief report on which was published in *Commercial Intelligence Journal* No. 1864 (October 21, 1939), page 728.

By this legislation the importer is entitled to obtain from the French Ministry of Merchant Marine the facilities necessary for the transport of his merchandise. A request must be addressed to the Ministry of Merchant Marine, Maritime Transit sub-section, stating the nature of the merchandise, tonnage, port of shipment, date of arrival of goods, and most suitable port of arrival.

Despite this facility, if the exporter is able to obtain shipping independently he should do so and cable the transport rates to the importer. In nearly all cases the importer would prefer this method, since it avoids long delays in France. It is well to remember, however, that responsibility for large shipments rests with the importer, and that the exporter should make no promises as to date of delivery in France if he has not himself made shipping arrangements.

POLICY TO BE FOLLOWED BY CANADIAN EXPORTERS

Generally speaking the exporter who already has an agent or representative in France should entrust his business to that representative. Unless official buying missions are established by the French Government, every individual company or its representative may still submit quotations direct to buyers in France, whether army commissariat, buying pool, group responsible for imports, or private individuals who have already contracted for goods.

The producer of goods essential or of interest to wartime economy, but who is not represented on the French market, would do well to inquire first of all as to whether or not a French buying mission in New York is authorized to purchase such materials. The office of the Canadian Trade Commissioner at Paris should soon be able to obtain the information, but so far nothing official has been announced. Until such information is available through the Department of Trade and Commerce at Ottawa, the exporter should inquire either of the Canadian Trade Commissioner in New York or of the French Consulate General in the same city.

If no buying mission is interested in the type of goods in question, the inquiry, with full particulars, should be forwarded to the office of the Canadian Trade Commissioner at Paris. If importation of the goods is controlled by one of the groups responsible for imports (a list of which is on file in the Department of Trade and Commerce) the Canadian Trade Commissioner will undertake to bring the product to their attention. If the group is interested they will signify whether they would prefer to deal through an agent in France or direct with the exporting firm. The Trade Commissioner's office will act according to their decision.

Because of the sudden changes in financial conditions brought about by general mobilization, the collapse of certain trades and the uncertainty due to changes in sources of supply, for the time being new agencies should be avoided as far as possible. Whenever it is permissible to do so, new inquiries will therefore be brought directly to the attention of the official buying groups.

As regards new products which are not essential to wartime economy, there is little prospect of satisfactory outlets being available during hostilities. Imports of such products will be restricted as much as possible. Import permits will be granted through the usual peace-time channels at the Ministry of Commerce, but since these channels have been continuously in contact with established agents, a new competitor would have little opportunity of obtaining business. The introduction of these products would require the services of an agent, and the comments made above relative to avoiding new agencies are doubly important in the case of non-essential goods, which are usually handled by small commission houses that are affected to a far greater extent by changes in trading conditions than are the well-established firms dealing in raw materials.

TARIFF CHANGES AND TRADE REGULATIONS

United Kingdom

IMPORT LICENSING REGULATIONS

The Chief Canadian Trade Commissioner in the United Kingdom, writing under various dates, advises of the announcement of the following import licensing regulations:—

CLOCKS AND WATCHES

The Import Licensing Department of the Board of Trade announce that they are now prepared to issue licences for the importation of certain quantities of watches and watch movements, alarm clocks and 30-hour clock movements. Licensing will be carried out with the co-operation of the Special Committee of the United Kingdom Trade established by the London Chamber of Commerce. All inquiries and applications for licences (except as explained below) should be addressed by prospective importers to the Secretary, London Chamber of Commerce, 69 Cannon Street, London, E.C.4.

The total value of the licences to be issued will be limited and there will also be certain restrictions on the kinds of articles that may be imported.

Applications for licences for the importation of watches, clocks and, movements for clocks and watches required for Government contracts or for importation under bond for subsequent re-exportation should continue to be addressed to the Import Licensing Department, 25 Southampton Buildings, London, W.C.2. In such cases the applicants should state clearly for what purpose the goods are required and, where a Government contract is involved, evidence of the fact should accompany the application.

SOAP

The Board of Trade announce that they have issued an open general licence authorizing, as from December 4, until further notice, the importation of hard soap, in bars or tablets, other than abrasive soap and toilet soap, if consigned from any part of the British Empire, except Palestine and Transjordan.

Imports of these goods, if consigned from the British Empire, except Palestine and Transjordan, may therefore now be effected without further licensing.

BASKETS AND BASKETWARE

Referring to the notice published in *Commercial Intelligence Journal* No. 1871 (December 9, 1939), page 1108, according to an announcement issued by the Import Licensing Department, "Baskets and basketware, etc." were included in error in the list of products for which the Department are not prepared to consider licence applications. The Department now state that they will consider applications for licences to import baskets of all kinds used commercially for the transport of goods, and in particular baskets of the descriptions ordinarily used for the transport of fruit, vegetables, game, and similar foodstuffs.

GUINEA FOWL

In Notice to Importers No. 2 reproduced in *Commercial Intelligence Journal* No. 1864 (October 21, 1939), page 722, it was notified that no licences would be issued until further notice for the importation of dead poultry and game other than chickens and turkeys. The Import Licensing Department state that they are now prepared to consider applications for licences for the importation of guinea fowl.

PERSONAL EFFECTS, TRADE SAMPLES AND GIFTS

According to an announcement made under date December 5 by the Import Licensing Department, until further notice licences will not be required to import the following:—

- (a) Personal and household effects (other than arms and ammunition), whether accompanying the traveller or not, provided that the goods are not being imported as merchandise or for sale.
- (b) Goods which are returned to this country in the same state as exported or after repair.
- (c) Trade samples whether imported as cargo or through the post.
- (d) Gifts brought in by a traveller or sent by post from a private sender to a private addressee.

Eligibility for these concessions must in each case be established to the satisfaction of the proper Officer of Customs and Excise in the United Kingdom.

BULBS, ARTIFICIAL TEETH AND CONFECTIONERY

The Board of Trade have issued an open general licence authorizing as from December 12, 1939, until further notice, the importation of:—

- (a) Bulbs, corms, tubers, and rhizomes, whether in flower or not, if consigned from any part of the British Empire, except Palestine and Transjordan.
- (b) Artificial teeth, crowns, and facings, consigned from any country.

An open general licence effective December 11, 1939, in favour of the following goods if consigned from France, has also been issued:—

Confectionery, the following:—

Angelica.

Flowers and flower petals in crystallized sugar.

Articles coming within the scope of the above open general licences, if consigned as stated, may therefore now be imported without further licensing.

RE-EXPORTS AND STOCK REPLACEMENTS

Another Board of Trade notice announces that the existing facilities for the grant of licences for the importation of goods for re-export under bond or on recovery of duty are being extended, and the Import Licensing Department are now prepared to consider applications for licences to import any goods required for use in the re-export trade. In addition, where the merchant wishes to export goods from stock, the Department are prepared to consider an application for a licence to import goods for stock replacement. Applications will also be entertained for licences to import articles to be incorporated as parts of components in goods for export.

TISSUES EMBROIDERED ABROAD

The Department also announce that they are now prepared to consider applications for licences to import United Kingdom tissues returned after embroidery abroad, provided that the process of embroidery to which the tissues have been subjected does not otherwise change their form or character.

CONCESSIONS TO FRENCH PRODUCTS

The Board of Trade announce that they have issued an open general licence authorizing, as from November 27, 1939, until further notice, the importation into the United Kingdom of the following goods if consigned from France or Tunis: dates; turkeys, fresh, chilled or frozen other than tinned turkeys; cut flowers; mimosa; fruit, crystallized, glacé, metz, or drained.

Imports of these goods if consigned from France or Tunis may therefore now be effected without further licensing.

It is stated that the above relaxations in favour of French products form an integral part of the special economic and financial arrangements for co-operation between the United Kingdom and French Governments.

TOBACCO IMPORTS UNDER LICENCE

Mr. Frederic Hudd, Chief Canadian Trade Commissioner in the United Kingdom, cables that a Board of Trade Order, effective January 1, adds to the list of goods the importation of which into the United Kingdom is prohibited except under licence, tobacco, whether manufactured or not, and snuff. The cablegram states that goods covered by the order, which are proved to have been despatched to the United Kingdom before January 1, will not require licence, and that it is announced no licences will be issued until further notice for importations from foreign countries of manufactured tobacco or snuff.

Australia

MARKING OF PORCELAIN INSULATORS

With reference to the notice appearing in *Commercial Intelligence Journal* No. 1869 (November 25, 1939), page 997, regarding the marking of porcelain insulators imported into Australia, information has been received that in the case of porcelain insulators being inserts for use in the manufacture of spark plugs, the marking on each insulator may be waived. It is required, however, that if the insulators are imported packed in an inside container, such container shall be marked with the name of the country in which the goods were made or produced.

LICENSING REGULATIONS AFFECTING CATEGORY D GOODS ON ORDER

With reference to the Australian import licensing system adopted on December 1, 1939, some difficulty arose over interpretation of rulings applicable to goods in category D, i.e., the prohibited category, which had been already ordered.

It was stated in *Commercial Intelligence Journal* No. 1871 (December 9, 1939), page 1110, that goods on order prior to December 1, 1939, for which drafts had been drawn and letters of credit established would be admitted under licence irrespective of category classification. Publishing a later ruling, *Commercial Intelligence Journal* No. 1872 (December 16, 1939), page 1162, announced that category D goods will be admitted in normal quantities if orders were accepted by overseas suppliers prior to November 1 and arrive in Australia by March 31. In *Commercial Intelligence Journal* No. 1873 (December 23, 1939), page 1210, this information was repeated with the addition that no applications for licence would be considered after December 18.

Answering an inquiry as to whether the first-mentioned concession to category D goods ordered and with drafts drawn and letters of credit established prior to December 1, remained in effect, Mr. L. M. Cosgrave, Canadian Trade Commissioner in Sydney, cabled on December 30 that "category D goods ordered with drafts drawn and letters of credit established prior to December 1 will be admitted up to March 31. Where no letters of credit established, orders must have been placed and confirmed prior to November 1."

Ireland

IMPORT QUOTAS ON LADIES' HEADGEAR AND ON WOOD SCREWS

Mr. James Cormack, Canadian Trade Commissioner in Dublin, advises that by two orders of the Government of Eire, dated November 28, 1939,

further quotas and quota periods have been fixed for importation into Eire for the following items at the quantities stated:—

Ladies' felt hats, for the period January 1, 1940, to March 31, 1940, 40,000 articles, as against 150,000 articles for the previous six months.

Screws for use in wood, which have a slotted head and a tapered thread and are made wholly or mainly of iron, steel, copper, brass, bronze, gunmetal, nickel or nickel silver, or a combination of any two or more of those metals, or wholly or mainly of aluminium or of an alloy of which aluminium is the main constituent, for the period January 1, 1940, to March 31, 1940, 55,000 gross. Of this amount 54,000 gross is allotted to Great Britain and Canada, and the remaining 1,000 gross to other countries. This quota is similar in amount to that fixed for the previous three months.

United States

MAXIMUM TARIFF REDUCTION ON CANADIAN SEED POTATOES TO APPLY THROUGHOUT YEAR

A supplementary trade agreement between the United States and Cuba, signed at Washington on December 18, 1939, when it comes into force will terminate the obligation of the United States to grant a 50 per cent preference to certified seed potatoes imported from Cuba during the months of December, January and February. The effect will be to permit complete fulfilment by the United States of the terms of the concession on Canadian seed potatoes provided in the United States trade agreement with Canada effective January 1, 1939.

The present rate to Canada on certified seed potatoes is 37½ cents per 100 pounds from March 1 to November 30, and 60 cents from December 1 to the end of February. The rate to Cuba during December, January and February each year was 30 cents per 100 pounds, and under the 1934 trade agreement with the United States guaranteeing a 50 per cent preference, no rate lower than 60 cents could be accorded to any other country. The new United States-Cuban trade agreement cancels this obligation. The result will be that certified seed potatoes from Canada which are now subject to a duty of 37½ cents per 100 pounds when imported into the United States between March 1 and November 30 in any year (subject to a quota limitation) will, when the new supplementary agreement between the United States and Cuba becomes effective, be subject to the rate of 37½ cents per 100 pounds throughout the year.

The President of the United States proclaimed the trade agreement on December 19 and after proclamation by the President of the Republic of Cuba in conformity with the laws of that country, exchange of proclamations will take place and the agreement will enter into force on the day following. It is stated the exchange is to take place at Havana as soon as possible.

Mexico

LEGALIZATION OF COMMERCIAL INVOICES NO LONGER REQUIRED

Mr. Hermolao E. Torres, Consul General of Mexico in Montreal, writes that the Department of Customs of Mexico has decreed that effective January 1, 1940, exports from Canada to Mexico do not require commercial invoices legalized by the Mexican consuls and that the collection of 5 per cent advance import duty on the net value of the invoice heretofore paid by the Canadian exporters to the Mexican consuls is rescinded.

Canadian exporters shall send their commercial invoices either direct to the Mexican customer or to his forwarding agent.

Cuba

SALES TAX INCREASED

Mr. C. S. Bissett, Canadian Trade Commissioner in Havana, advises that the Cuban sales tax of 1½ per cent will be increased to 2 per cent as from January 1, 1940. This tax is levied upon all imported goods on the basis of their duty-paid value.

FOREIGN EXCHANGE QUOTATIONS: WEEK ENDING JAN. 2, 1940

The Foreign Exchange Division of the Bank of Canada has furnished the following statement of the nominal closing quotations for all the principal exchanges for the week ending Tuesday, January 2, 1940, and for the week ending Tuesday, December 26, 1939, with the official bank rate:—

Country	Unit	Present or Former Gold Parity	Nominal Quotations in Montreal Week ending Dec. 26	Nominal Quotations in Montreal Week ending Jan. 2	Official Bank Rate
Belgium	Belga	.1001	\$.1848	\$.1869	2½
Bulgaria	Lev	.0072	.....	.....	—
Denmark	Krone	.2680	.2142	.2142	5½
Finland	Markka	.0252	.0201	.0201	4
France	Franc	.0392	.0248	.0248	2
Great Britain	Pound	4.8666			
	Buying		4.4300	4.4300	2
	Selling		4.4700	4.4700	—
Greece	Drachma	.0130	.0079	.0080	6
Holland	Guilder	.4020	.5892	.5909	3
Hungary	Pengo	.1749	.2942	.2942	4
	Unofficial		.1954	.1954	—
Italy	Lira	.0526	.0559	.0560	4½
Yugoslavia	Dinar	.0176	.0251	.0251	5
Norway	Krone	.2680	.2520	.2521	4½
Portugal	Escudo	.0442	.0402	.0402	4-4½
Roumania	Leu	.0060	.0078	.0079	3½
Spain	Peseta	.1930	.1104	.1104	5
Sweden	Krona	.2680	.2642	.2643	2½
Switzerland	Franc	.1930	.2489	.2489	1½
United States	Dollar	1.0000			
	Buying		1.1000	1.1000	1
	Selling		1.1100	1.1100	—
Mexico	Peso	.4985	.1882	.1877	3
Cuba	Peso	1.0000	.....	.....	—
Guadeloupe	Franc	.0392	.0248	.0248	—
Jamaica	Pound	4.8666	4.4800	4.4800	—
Martinique	Franc	.0392	.0248	.0248	—
Other British West Indies	Dollar	1.0138	.9313	.9313	—
Argentina	Peso (Paper)	.4245	.3304	.3304	3½
	Free		.2509	.2503	—
Brazil	Milreis (Paper)	.1196	.0673	.0673	—
	Free		.0557	.0561	—
British Guiana	Dollar	1.0138	.9313	.9313	—
Chile	Peso	.1217	.0574	.0574	—
	Export		.0444	.0444	—
Colombia	Peso	.9733	.6325	.6325	4
Peru	Sol	.2800	.....	.....	—
Venezuela	Bolivar	.1930	.....	.....	—
Uruguay	Peso	1.0342			
	Controlled		.7307	.7307	—
	Uncontrolled		.3975	.3975	—
South Africa	Pound	4.8666	4.4600	4.4600	3½
Egypt	Pound (100 Piastres)	4.9431	4.5800	4.5800	—
China (Shanghai)	Dollar	.....	.0846	.0846	—
Hongkong	Dollar	.....	.2733	.2733	—
India	Rupee	.3650	.3363	.3363	3
Japan	Yen	.4985	.2602	.2602	3.29
Java	Guilder	.4020	.....	.....	—
Thailand (Siam)	Baht (Tical)	.4424	.3992	.4023	—
Straits Settlements	Dollar	.5678	.5143	.5148	—
Australia	Pound	4.8666	3.5800	3.5800	3
New Zealand	Pound	4.8666	3.5900	3.5900	4

The Dominion Bureau of Statistics has supplied the following note:—

Continuing strength in sterling free rates at New York moved quotations 1½ cent higher during the week ended December 30 to \$3.95½. Canadian funds advanced ½ cent during the same interval to 88½ cents. French francs at Montreal closed unchanged at 2.49 cents, though they had declined to 2.48 cents earlier in the week. There were general advances among the neutrals. Belgian belgas finished 11 points higher at 18.63 cents, while Dutch florins were quoted up 14 at 59.06 cents. Nominal rates for the Mexican peso were steadier, the close at 18.89 cents, indicating a 2 point advance on the week. Argentine pesos (free rate) eased 5 to 25.09 cents. Daily buying and selling rates set by the Canadian Foreign Exchange Control Board for sterling and United States funds remained unaltered at \$4.43-\$4.47 and \$1.10-\$1.11, respectively.

TRADE OPPORTUNITIES ABROAD FOR CANADIAN PRODUCTS

The Trade Inquiries for Canadian products published below have been received since the publication of the last issue of the *Commercial Intelligence Journal*. Interested exporters may secure the names and addresses of the firms making these inquiries, together with further details regarding the commodities required, on application to the Director, Commercial Intelligence Branch, Department of Trade and Commerce, Ottawa, or—

Secretary, Board of Trade—

Saint John, N.B.
Halifax, N.S.
Quebec, P.Q.
Montreal, P.Q.
Toronto, Ont.
Chatham, Ont.

Guelph, Ont.
Kitchener, Ont.
Brantford, Ont.
Stratford, Ont.
Woodstock, Ont.
St. Mary's, Ont.

Portage la Prairie, Man.
St. Boniface, Man.
Winnipeg, Man.
Vancouver, B.C.
New Westminster, B.C.

Secretary, Chamber of Commerce—

Sherbrooke, P.Q.
Kingston, Ont.
Oshawa, Ont.
Belleville, Ont.

Peterborough, Ont.
London, Ont.
St. Catharines, Ont.
Hamilton, Ont.

Victoria, B.C.
Prince Rupert, B.C.

Windsor Chamber of Commerce, Windsor, Ont.

Commercial Intelligence Service, Department of Municipal Affairs, Trade and Commerce, Quebec.

Department of Industry, Brantford, Ont.

Industrial Commissioner, Stratford, Ont.

La Chambre de Commerce de Montréal, 25 St. James E., Montreal, P.Q.

Secretary, Canadian Manufacturers Association—

Toronto, Ont.
Montreal, P.Q.

Winnipeg, Man.
Edmonton, Alta.

Vancouver, B.C.
Victoria, B.C.

Director, Bureau of Industrial and Trade Extension, Department of Trade and Industry, Victoria, B.C.

Canadian exporters should, for follow-up purposes, transmit a copy of any reply sent in response to a Trade Inquiry to the Trade Commissioner in the territory from which the inquiry emanated.

Commodity	No.	Location of Inquirer	Purchase or Agency
Foodstuffs—			
Canned Foodstuffs.....	1	Rotterdam, Holland.....	Purchase.
Butter, Tinned.....	2	Lima, Peru.....	Purchase and Agency.
Dried Fish, Codfish, Hake, Haddock and Pollock.....	3	Ciudad Trujillo, Dominican Republic.....	Purchase and Agency.
Miscellaneous—			
Belts (Ladies' and Men's).....	4	Port au Prince, Haiti.....	Agency.
Materials for making Trunks, Travelling Bags and Hand Bags, including Fibre Board for Trunks, Metal Locks and Fittings.....	5	Rotterdam, Holland.....	Purchase.
Writing and Printing Paper.....	6	Rotterdam, Holland.....	Purchase.
Shoe Findings (Various).....	7	Rotterdam, Holland.....	Purchase.
Hob Nails.....	8	Birmingham, England.....	Purchase.
Wood Shoe-shanks.....	9	Bristol, England.....	Purchase and Agency.
Kitchen and other Household Wares (Metal), also Enamelware.....	10	Rotterdam, Holland.....	Purchase.
Woodenware, Kitchen and Household, including Clothes Pegs..	11	Rotterdam, Holland.....	Purchase.
Machinery for making Macaroni and Other Alimentary Pastes.	12	Auckland, New Zealand...	Purchase.

COMMERCIAL INTELLIGENCE SERVICE

L. D. WILGRESS, *Director*

Argentina

J. A. STRONG, B. Mitre 430, Buenos Aires (1). (Territory includes Uruguay.) *Cable address, Canadian.*

Australia

Sydney: L. M. COSGRAVE. Address for letters—P.O. Box No. 3952V. Office—City Mutual Life Building, Hunter and Bligh Streets. (Territory includes the Australian Capital Territory, New South Wales, Queensland, Northern Territory and Dependencies.) *Cable address, Canadian.*

Melbourne: FREDERICK PALMER, 83 William Street, Melbourne, C.I. (Territory includes States of Victoria, South Australia, Western Australia, and Tasmania.) *Cable address, Canadian.*

Belgium and Luxemburg

YVES LAMONTAGNE, Commercial Attaché, Shell Building, 60 rue Ravenstein, Brussels. *Cable address, Canadian.*

Brazil

L. S. GLASS. Address for letters—Caixa Postal 2164, Rio de Janeiro. Office—Ed. Da. "A. Noite," Sala 802, Praca Maua. *Cable address, Canadian.*

British India

PAUL SYKES. Address for letters—P.O. Box 2003, Calcutta. Office—23 Esplanade Mansions, Government Place East, Calcutta. (Territory includes Burma and Ceylon.) *Cable address, Canadian.*

British Malaya

J. L. MUTTER, Union Building, Singapore, Straits Settlements. (Territory includes the Straits Settlements, the Federated Malay States, the Unfederated Malay States, Thailand, British Borneo, and Netherlands India.) *Cable address, Canadian.*

British West Indies

Trinidad: M. B. PALMER. Address for letters—P.O. Box 125, Port of Spain. Office—Barclay's Bank Building. (Territory includes Barbados, Windward and Leeward Islands, and British Guiana.) *Cable address, Canadian.*

Jamaica: F. W. FRASER, P.O. Box 225, Kingston. Office—Canadian Bank of Commerce Chambers. (Territory includes the Bahamas and British Honduras.) *Cable address, Canadian.*

China

V. E. DUCLOS. Address for letters—P.O. Box 264, Shanghai. Office—Ewo Building, 27 The Bund, Shanghai. (Territory includes Central China and North China.) *Cable address, Canadian.*

Cuba

C. S. BISSETT. Address for letters—Apartado 1945, Havana. Office—Royal Bank of Canada Building, Calle Aguiar 367, Havana. (Territory includes Haiti, the Dominican Republic, and Puerto Rico.) *Cable address, Canadian.*

Egypt

HENRI TURCOT. Address for letters—P.O. Box 1770, Cairo. Office—22 Shari Kasr el Nil, Cairo. (Territory includes the Sudan, Palestine, Cyprus, Iraq, Syria, Iran, Greece, Turkey, Bulgaria, and Roumania.) *Cable address, Canadian.*

France

HERCULE BARRÉ, Commercial Attaché, 3 rue Scribe, Paris (9). (Territory includes French Colonies in North Africa.) *Cable address, Cancomac.*

Hongkong

P. V. McLANE. Address for letters—P.O. Box 80, Hongkong. Office—Hongkong and Shanghai Bank Building, Hongkong. (Territory includes South China, the Philippines, and Indo-China.) *Cable address, Canadian.*

Ireland

JAMES CORMACK, 66 Upper O'Connell Street, Dublin, Ireland (*cable address, Canadian*); and 36 Victoria Square, Belfast, Northern Ireland.

CANADIAN GOVERNMENT TRADE COMMISSIONERS—*Con.*

Italy

- A. B. MUDDIMAN, Via Manzoni Nr. 5, Milan (102). (Territory includes Spain, Portugal, Gibraltar, Malta, Albania, and Yugoslavia.) *Cable address, Canadian.*

Japan

- C. M. CROFT, Commercial Secretary. Address for letters—P.O. Box 18, Akasaka Post Office, Tokyo. Office—Canadian Legation, 16 Omotecho, 3-chome, Akasakaku, Tokyo. *Cable address, Canadian.*

Mexico

- R. T. YOUNG. Address for letters—Apartado Num. 126-Bis, Mexico City. Office—Edificio Banco de Londres y Mexico, Num. 30, Mexico City. (Territory includes Guatemala, Honduras, and Salvador.) *Cable address, Canadian.*

Netherlands

- J. A. LANGLEY, Commercial Attaché, Coolsingel 111b, Rotterdam. (Territory includes Switzerland.) *Cable address, Canadian.*

New Zealand

- W. F. BULL. Address for letters—P.O. Box 33, Auckland. Office—Yorkshire House, Shortland Street, Auckland. (Territory includes Fiji and Western Samoa.) *Cable address, Canadian.*

Norway

- RICHARD GREW, Stortingsgaten 28, Oslo. (Territory includes Sweden, Denmark, and Finland.) *Cable address, Canadian.*

Panama

- H. W. BRIGHTON. Address for letters—P.O. Box 222, Panama City. Office—98 Central Avenue, Panama City. (Territory includes the Canal Zone, Venezuela, Colombia, Nicaragua, and Costa Rica.) *Cable address, Canadian.*

Peru

- M. J. VECHSLER. Address for letters—Casilla 1212, Lima. Office—Edificio Boza, Carabaya 831, Plaza San Martin, Lima. (Territory includes Bolivia, Ecuador, and Chile.) *Cable address, Canadian.*

South Africa

- Cape Town:* J. C. MACGILLIVRAY. Address for letters—P.O. Box 683. Office—New South African Mutual Buildings, 17 Parliament Street. (Territory includes Cape Province and Southwest Africa, Natal, Tanganyika, Kenya, Uganda, Mauritius, and Madagascar.) *Cable address, Cantracom.*

- Johannesburg:* J. H. ENGLISH. Address for letters—P.O. Box 715. Office—Prudential Assurance Building, 92 Fox Street. (Territory includes Transvaal, Orange Free State, the Rhodesias, Portuguese East Africa, Mozambique, and Nyasaland.) *Cable address, Cantracom.*

United Kingdom

- London:* FREDERIC HUDD, Chief Trade Commissioner in the United Kingdom, Canada House, Trafalgar Square, S.W.1. *Cable address, Sleighing, London.*

- London:* H. A. SCOTT, Trade Commissioner, Canada House, Trafalgar Square, S.W.1. *Cable address, Sleighing, London.*

- London:* G. R. HEASMAN, Trade Commissioner, Canada House, Trafalgar Square, S.W.1. (Territory includes Home Counties, Southeastern Counties, and East Anglia.) *Cable address, Sleighing, London.*

- London:* W. B. GORNALL, Fruit Trade Commissioner, Aldine House, Bedford Street, Strand, W.C.2. *Cable address, Canfrucum.* (Territory—for fresh fruit only—includes United Kingdom, Norway, Denmark, Sweden, France, Holland, Belgium, and Germany.)

- London:* ACTING ANIMAL PRODUCTS TRADE COMMISSIONER, Canada House, Trafalgar Square, S.W.1. *Cable address, Agrilson.*

- Liverpool:* A. E. BRYAN, Martins Bank Building, Water Street. (Territory includes North of England, Lincolnshire, North Midlands, and North Wales.) *Cable address, Canadian.*

- Bristol:* E. L. MCCOLL, Northcliffe House, Colston Avenue. (Territory includes West of England, South Wales, and South Midlands.) *Cable address, Canadian.*

- Glasgow:* G. B. JOHNSON, 200 St. Vincent Street. (Territory covers Scotland.) *Cable address, Cantracom.*

United States

- New York City:* D. S. COLE, British Empire Building, Rockefeller Center. (Territory includes Bermuda.) *Cable address, Cantracom.*

- Los Angeles:* B. C. BUTLER, 510 West Sixth Street.

Note.—Bentley's Second Phrase Code is used by Canadian Trade Commissioners.

Gov. Doc
Can
1

COMMERCIAL INTELLIGENCE JOURNAL

Vol. LXII

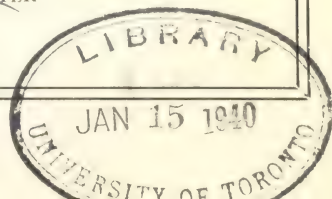
Ottawa, January 13, 1940

No. 1876



Delivering Newsprint from Canada in Calcutta

ISSUED BY AUTHORITY OF
THE HON. W. D. EULER, MINISTER OF TRADE AND COMMERCE
JAMES G. PARMELEE, DEPUTY MINISTER



CONTENTS

	Page
Trade of Chile with Germany.....	41
New Trade Commissioner Office Opened in Chicago	50
Summary of the Trade of Canada: November.....	51
Irrigation in India	52
Netherlands Market Conditions for Carbon Paper and Type- writer Ribbons	54
List of Imports into Brazil from Germany	56
Wheat and Flour Trade and Markets:	
Wheat and Flour Trade Regulation in France.....	56
Wheat and Flour Production and Trade in Roumania....	61
Wheat and Flour Production in Bulgaria.....	62
Wheat and Flour Production and Trade in Greece.....	64
Wheat and Flour Production of Turkey.....	68
Supplemental Trade Agreement between Canada and the United States	69
Tariff Changes and Trade Regulations	70
Trade Inquiries for Canadian Products	76
Foreign Exchange Quotations	78
Commercial Intelligence Service	79

COMMERCIAL INTELLIGENCE JOURNAL

Issued Every Saturday by the Department of Trade and Commerce

PUBLISHED in English and French. Subscription Price for either edition: \$1 per annum in Canada (single copies 5 cents each); \$3.50 outside the Dominion (single copies 10 cents each). Remittances, which may be made by Post Office or Express Orders, or Drafts, or Cheques, payable at par in Ottawa, should be addressed to the King's Printer, Government Printing Bureau, Ottawa.

Vol. LXII

Ottawa, January 13, 1940

No. 1876

TRADE OF CHILE WITH GERMANY

M. J. VECHSLER, CANADIAN TRADE COMMISSIONER

(Values are in Chilean pesos of 6d. gold; one kilo equals 2.2 pounds)

Lima, December 12, 1939.—In analysing the trade of Germany with Chile, reference is made to a somewhat similar report recently published on the trade of Germany with Peru (see *Commercial Intelligence Journal* No. 1868: November 18, 1939, page 926), for almost identical factors are involved, if anything, to a greater extent. Similarly, as was pointed out in the analysis of this trade with Peru, German exporters have made use of depreciated currencies (askimarks, etc.), direct and frequent steamship services, long-term credits, catering to essential price markets, compensation agreements, and the negotiation of barter deals, as well as making heavy purchases of Chilean products.

Total imports into Chile in 1938 were valued at 498,956,864 pesos. Imports from Germany, which ranked second to the United States as a source of supply, amounted to 128,803,564 pesos. The United States supplied goods to the value of 138,933,432 pesos, while imports from the United Kingdom were valued at 50,570,072 pesos. Imports from Canada, as indicated in Chilean returns, which differ considerably from Canadian export figures, are shown at 1,524,860 pesos (Canadian \$604,373). The foregoing figures, however, indicate the dominant position held by Germany in Chilean import trade.

ANALYSIS BY MAJOR GROUPS

In an analysis of Germany's trade with Chile, particularly as it concerns imports into Chile, it is advisable to first indicate the total trade by groups, together with Germany's share of that trade, before proceeding with an analysis of the individual items. Following is a summary:—

Chilean Imports by Commodity Groups

	Total Imports Pesos	Imports from Germany Pesos
1. Mineral products	30,434,607	672,340
2. Water and forest natural products	2,451,399	61,659
3. Products of the animal kingdom	16,389,497	561,127
4. Agricultural products	37,591,873	821,487
5. Alimentary industries	24,939,494	43,755
6. Beverages and liquors	704,919	10,004
7. Manufactured tobacco	174,678	200
8. Textile industries	74,942,841	17,140,441
9. Chemical industries	58,114,050	14,244,643
10. Metallurgical industries	56,625,575	28,030,045
11. Machinery, accessories and tools	64,990,620	26,341,130
12. Transport material and accessories	84,844,984	21,131,633
13. Various manufactured products	46,494,775	19,526,538
14. Precious metals and coinage	257,552	218,562

COMMODITY ANALYSIS

The following returns show only items with an import value of at least 100,000 pesos and of which Germany has supplied to a value of 50,000 pesos.

MINERAL PRODUCTS

Although total imports of metallic minerals amounted to 2,407,659 pesos, Germany's share of the trade only amounted to 37,710 pesos. The United States, the United Kingdom, Belgium and Peru were the principal suppliers, and the principal commodities were: tin in bars or ingots; cast iron in ingots, blooms and balls; lead in ingots; and zinc in bars and sheets.

Imports of non-metallic minerals were as follows:—

	Total Imports	Imports from Germany
	Pesos	Pesos
Clay	149,932	103,729
Metallurgical coke	598,687	365,499

PRODUCTS OF THE ANIMAL KINGDOM

	Total Imports	Imports from Germany
	Pesos	Pesos
Cattle over two years	341,926	229,524
Cattle, female, over two years	187,610	142,153

AGRICULTURAL PRODUCTS

	Total Imports	Imports from Germany
	Pesos	Pesos
Hops	834,523	683,935

TEXTILES

Threads, valued at 22,091,340 pesos were imported into Chile in 1938, of which Germany supplied to a value of 2,752,674 pesos. The principal suppliers were Italy, the United Kingdom, the United States, France, and Belgium.

	Total Imports	Imports from Germany
	Pesos	Pesos
Threads and yarns of cotton, in skeins, bobbins or cones, for weaving looms	10,496,424	934,206
Silk yarns	6,374,471	1,383,178
Cotton threads	3,142,028	199,816
Silk threads	973,700	96,145

TISSUES

Total imports under the above heading amounted to 43,325,061 pesos, of which Germany is credited with 10,894,726 pesos. Other principal supplying countries were the United Kingdom, 13,295,674 pesos; Japan, 9,519,375 pesos; Italy, 3,621,159 pesos.

	Total Imports	Imports from Germany
	Pesos	Pesos
Rubberized cloth, pegamoid and waxed, pitched, oiled, or celluloid impregnated cloths	560,631	239,587
Damask tissues for counterpanes, mattresses, corsets, tablecloths, serviettes or tapestry, of cotton	361,253	180,532
Tissues of wool or cotton, with horse or dog hair, for strengthening wearing apparel	305,689	112,990
Tissues, waterproofed with rubber or its substitutes; of cotton or flax	656,342	74,293
Tissues of cotton, stamped, dyed, and weighing over 80 grams per square metre	2,908,204	471,573

	Total Imports Pesos	Imports from Germany Pesos
Same up to 38 threads	2,514,546	390,867
Same over 38 threads	440,956	170,477
Tissues, cotton, stamped, dyed, or coloured, over 38 threads	1,433,604	347,669
Same weighing less than 200 grams per square metre	347,942	223,901
Same, carded, not specified	358,889	106,194
Same, weighing over 200 grams per square metre . .	200,366	104,746
Same, with coloured threads	691,627	216,530
Tissues of wool or vegetable fibres, containing over 10 per cent wool, weighing up to 250 grams per square metre	3,184,489	1,910,715
Same, weighing over 250 grams per square metre . .	9,411,873	2,900,578
Same, containing not more than 5 per cent silk . . .	1,051,916	444,080
Tissues containing more than 20 and less than 80 per cent silk	408,396	272,029
Same, containing over 80 per cent silk	781,152	160,738
Velvets, of cotton or flax, weighing up to 300 grams per square metre	513,103	343,866
Same, weighing more than 300 grams per square metre	117,791	68,266
Corduroy, weighing more than 300 grams per square metre	177,933	113,142
Velvets of wool	284,230	237,937
Astrakan of wool	295,032	282,940
Shag, wool, plushy or shaved	307,645	133,502

PASSEMENTERIE AND TRIMMINGS

	Total Imports Pesos	Imports from Germany Pesos
Lace, of cotton or flax	230,448	108,684
Passementerie and ribbons, not elsewhere mentioned, of cotton	131,247	101,996

WEARING APPAREL

Total imports under the above heading were valued at 4,674,208 pesos; Germany was the leading supplier with 2,559,219 pesos. The principal items involved were:—

	Total Imports Pesos	Imports from Germany Pesos
Gloves and mittens, except of lace, etc., of cotton, woollen knitted stuff or linen	252,827	218,806
Rugs of wool	111,838	73,073
Handkerchiefs of cotton	481,056	239,754
Umbrellas, parasols and sunshades with wooden or metal handles	193,030	134,561
Same, bone celluloid, bakelite, etc., handles	129,539	87,723
Knitted cotton underclothing	154,476	108,937
Knitted cotton hosiery	958,845	947,971
Underclothing containing silk in the texture	113,422	79,160
Woollen clothing, with or without ornaments of wool or other material	334,756	157,116

CHEMICAL PRODUCTS

The importance of the German chemical industry would naturally lead one to expect a large export trade in these commodities, and this is borne out by the trade with Chile. A large number of items with relatively small individual values comprise the total import value of 10,225,890 pesos under this heading, German supplies being valued at 4,246,416 pesos. Imports from the United

Kingdom amounted to 2,799,776 pesos, and those from the United States to 2,301,100 pesos. The more important items included in this category follow:—

	Total Imports	Imports from Germany
	Pesos	Pesos
Citric and hydrofluoric acid	127,604	69,276
Alkaloids and their compounds	254,553	232,058
Nitrate of ammonia	2,640,166	1,260,227
Analgesics, anaesthetics, febrifuges, soothers and their compounds	466,544	449,664
Chemical products, simple or compound mineral or organic, n.e.s.	705,819	425,093

MEDICINAL DRUGS, PHARMACEUTICAL AND TOILET PRODUCTS

Germany supplied to Chile goods to the value of 2,459,043 pesos out of a total importation of 4,195,785 pesos.

	Total Imports	Imports from Germany
	Pesos	Pesos
Medicines to be taken by drops, also injecting solu- tions not elsewhere mentioned	204,415	154,851
Hypodermic injections n.e.m. in ampules, pastilles or tablets	532,066	387,775
Pastilles, comprimés, tablets, tabloids, pills, drops, capsules, globules, confits, granules, sachets and wafers containing medicines n.e.m.	1,030,182	869,185
Wafers, pills, and confits	299,163	144,458
Powders, perfumes for burning and preparations against parasites, insects or rodents, n.e.m. . .	195,306	93,233
Salvarsan	151,672	149,832
Cow vaccine lymph and bacteriological cultures . .	178,422	151,014

FERTILIZERS

	Total Imports	Imports from Germany
	Pesos	Pesos
Artificial fertilizers for agricultural purposes. . . .	1,258,451	815,736

EXPLOSIVES, MATCHES AND OTHER PYROTECHNIC ARTICLES

Total imports were valued at 3,122,995 pesos, of which Germany supplied to a value of 1,394,238 pesos and the United States 1,369,162 pesos. The principal items involved were:—

	Total Imports	Imports from Germany
	Pesos	Pesos
Dynamite, gelignite, explosive gelatine and other similar explosives	995,871	901,586
Percussion caps and detonators for explosives . . .	771,809	256,663
Fuses, trains and igniters, for use in mines	814,635	216,235

BLACKINGS, RESINS AND INDUSTRIAL FATS AND OILS

Although total imports of the above were valued at 22,246,916 pesos, shipments from Germany were comparatively small, 520,605 pesos, consisting of industrial oil, turpentine oil or substitutes, benzine, and artificial resin. The United States and Peru were the principal sources of supply.

COLOURS, VARNISHES, INKS AND DYESTUFFS

Germany supplied the above products to the value of 3,667,057 pesos out of a total of 5,607,583 pesos. The principal items involved were:—

	Total Imports	Imports from Germany
	Pesos	Pesos
Aniline	2,394,694	2,112,687
Zinc white containing less than 98 per cent zinc oxide	136,162	105,725
Lithopone	358,246	188,917
Colours n.e.m. for making paints, except coal deriva- tives; ochres and earths	161,993	126,906
Paints, prepared, liquid, with water or oil	375,680	62,715
Enamel paint	242,165	49,813
Printing ink	592,203	465,364
Typewriter ribbons	104,777	66,643

OTHER CHEMICAL AND INDUSTRIAL PRODUCTS

	Total Imports Pesos	Imports from Germany Pesos
Calcium carbide	145,832	82,948
Essences or essential oils, fruit extracts, etc., for industrial purposes	1,016,626	376,933
Tanning extracts of vegetable origin	1,178,529	99,640
Galalith, bakelite, celluloid, in bars or sheets	209,983	156,945

METALLURGICAL INDUSTRIES, IRON AND STEEL

The strong position held by Germany in the foreign trade of Chile is particularly apparent in this and succeeding groups of products. In the iron and steel group, an analysis of which follows, total imports were valued at 24,208,490 pesos; Germany is the leading supplier with 9,780,886 pesos, the United States having supplied an almost equal amount.

	Total Imports Pesos	Imports from Germany Pesos
Iron and steel bars, rolled, over 3 metres	9,065,501	3,834,139
Iron and steel, in block, etc., bars, squared or plain, over 40 kilos per lineal metre	1,588,693	621,332
Iron and steel, in T's, double T's or U's, over 20 kilos per lineal metre	876,080	433,204
Iron and steel hoops	145,136	136,839
Iron and steel, in plain sheets, rectangular, over 1 sq. metre in area, and over 50 cm. side, not tinned or galvanized	4,989,785	1,637,466
Iron and steel sheets, painted, galvanized or metal coated	303,783	122,034
Steel balls for mills, not turned	739,086	401,868
Sheets and bars with perforating or polishing work, even minimum coated	804,562	592,607
Steel compound sections for buildings, such as girders, cross-arms, etc.	515,483	326,461
Tinplate, ordinary	3,347,481	1,370,491

OTHER METALS, ROLLED OR CAST, INCLUDING ALLOYS THEREOF

	Total Imports Pesos	Imports from Germany Pesos
Aluminium, pure or not, in bars or sheets	274,276	226,209
Bronze in bars	195,258	134,547
Bronze in sheets	164,222	146,774
Zinc, pure or not, bars or sheets	227,278	161,377

METAL WARES FOR VARIOUS PURPOSES

Similarly, as in immediately preceding groups, imports from Germany dominated the market. Total imports amounted to 7,279,408 pesos, and Germany's share was 3,287,997 pesos.

	Total Imports Pesos	Imports from Germany Pesos
Iron wire, barbed, galvanized or metal coated	1,152,348	582,903
Iron wire, plain, neither galvanized nor metal coated	1,539,141	860,053
Iron wire, for the manufacture of nails	1,239,421	696,083
Iron wire, galvanized, or metal-coated, uncovered . .	1,587,035	892,410
Iron filings	189,293	64,346

WARES OF IRON OR STEEL

Total imports amounted to 19,605,950 pesos and those from Germany were valued at 11,391,679 pesos. The more important items follow:—

	Total Imports Pesos	Imports from Germany Pesos
Padlocks	246,990	205,517
Buckles and clasps	154,043	141,381

WARES OF IRON OR STEEL—*Continued*

	Total Imports Pesos	Imports from Germany Pesos
Table knives, forks and spoons	692,096	658,632
Other articles, not specified	126,118	115,358
Enamelled wares of soft wrought iron	582,476	482,694
Wire wares, not elsewhere mentioned	176,352	157,833
Hinges	103,142	73,254
Articles not specified weighing over 1 kilo each . .	704,916	500,477
Articles not specified weighing more than 1 and up to 10 kilos	273,504	108,753
Fasteners or hooks, without bolts or screws	145,721	171,178
Baths and vats, enamelled or not	557,311	363,373
Sinks, lavatories, flushes, etc.	291,443	176,980
Barrels or drums, also tanks of any shape	220,911	156,431
Wire cables or ropes	1,254,409	571,171
Chain, sprocket, over 10 but not over 40 mms. . .	173,936	86,194
Chain, sprocket, over 40 mms.	230,980	54,671
Piping and tubing, straight, and fittings, of soft and malleable cast iron, not painted or zincked . . .	4,343,721	2,241,984
Piping and tubing, for drinking water conduits with an internal diameter of 100 mms. or more	812,172	593,638
Piping and tubing of cast iron, n.e.m. for drinking water, with a diameter of 75 mms. or over . . .	964,639	518,214
Door locks, cylinder, Yale and similar types	146,744	131,202
Door locks, not elsewhere mentioned	165,103	146,950
Locks for trunks, bags, valises, furniture, etc. . .	142,702	141,321
Nails, pegs, brads, n.e.m.	167,933	80,998
Penknives with handles other than tortoise-shell, ivory or mother-of-pearl	230,749	224,957
Wire-netting for reinforcing cement or for fencing, also wire cloth or lattice	335,099	261,581
Stoves, cookers, heaters, ranges, etc., for coal, wood or gas	220,803	187,913
Stoves for household use, electric, spirit, or petrol .	499,557	440,173
Stoves for colleges, hospitals, barracks, etc. . . .	161,691	160,361
Safety razor blades	321,756	180,326
Taps, stopcocks, valves, etc., also parts	546,708	129,012
Machines for milling, roasting, crushing, pressing, peeling, etc.	133,063	108,812
Central heating radiators, steam, water or air, and parts	382,284	172,308
Bearings	479,927	51,726
Screws, bolts, washers, nuts, etc.	625,575	184,201

WARES OF OTHER METALS

Imports into Chile from Germany under this heading amounted to 2,708,811 pesos out of a total import value of 4,173,343 pesos. The principal items under this heading were:—

	Total Imports Pesos	Imports from Germany Pesos
Wares n.e.m. of aluminium, pure or not	353,038	293,262
Wares n.e.m. of copper, pure or not, etc., or copper alloys	306,047	205,883
Wares, nickelled or chromium plated	641,963	502,042
Wares, of nickel or nickel alloy, n.e.m.	211,926	108,367
Wares, gilded or plated	246,777	93,212
Bottles, small flasks and tubes of aluminium, tin, or lead for use as containers	162,787	91,297
Furnaces, stoves, ranges, etc., n.e.m.	213,395	192,027
Pipes and tubes of copper alloys or plated with such alloys	296,240	207,205
Pipes and tubes of copper	154,998	79,171
Foil of aluminium, tin or lead, etc., for wrapping purposes	191,183	167,729
Taps, stopcocks and valves, of bronze and spare parts, etc.	338,867	98,351
Meters, for water, gas oil or other gases or liquids .	254,375	215,695

MACHINERY, ACCESSORIES AND TOOLS

The returns covering items devoted to machinery, accessories and tools for industry was the third most important group of imports into Chile in

1938. The total value imported amounted to 64,990,620 pesos. Imports from the United States were valued at 27,153,984 pesos; those from Germany at 26,341,130 pesos, while the United Kingdom supplied goods to the amount of 6,306,986 pesos.

The principal items under the various sub-headings follow:—

	Total Imports Pesos	Imports from Germany Pesos
Components and spares of machinery and apparatus n.e.m.	2,135,832	52,811

AGRICULTURAL MACHINERY, IMPLEMENTS AND TOOLS

	Total Imports Pesos	Imports from Germany Pesos
Ploughs	574,995	321,481
Machinery n.e.m.	2,488,206	698,262
Components and spares n.e.m.	594,003	272,541

MACHINERY, IMPLEMENTS, ACCESSORIES AND TOOLS N.E.M. FOR INDUSTRIES AND TRADES

	Total Imports Pesos	Imports from Germany Pesos
Pumps	837,085	341,626
Made-up packing of metal containing up to 30 per cent of rubber or other material	238,305	62,147
Cranes, derricks, winches or other lifting machines..	1,954,091	1,030,629
Tackles, pulleys, muffles, jacks, etc.	220,087	60,919
Sewing machines	483,798	110,704
Sawmill machinery	188,155	155,948
Brewing machinery	176,338	73,977
Bag-making machinery	108,956	108,956
Flour-milling machinery	162,419	98,025
Candy-manufacturing machinery	143,814	108,156
Printing and lithographing machinery	508,242	354,352
Mechanical winches	633,442	525,015
Textile machinery, not specified	1,948,011	1,110,782
Other machinery, not specified	6,951,327	3,730,663
Apparatus, for industry, n.e.m.	2,027,693	894,504
Repair parts for machinery and apparatus n.e.m..	3,983,670	1,392,292
Emery, carborundum and oil stones	262,394	84,429
Printing type of metal	117,910	92,683
Spare parts of machines	1,548,299	703,231
Needles, spools and other hand-sewing, embroidery or weaving accessories	136,599	111,343
Hoes, picks, pick-axes and rakes	107,657	60,169
Augers, perforators and wimbles	150,866	75,201
Paint brushes	125,145	82,988
Hatchets	181,771	166,006
Sad irons	181,204	136,531
Tools, workmen's, not specified	869,660	451,570
Scissors	194,949	180,697

MOTIVE MACHINERY, BOILERS AND SPARES

Imports were valued at 10,477,105 pesos. Germany was the principal supplier (4,796,526 pesos), followed by the United States (4,096,955 pesos).

	Total Imports Pesos	Imports from Germany Pesos
Steam generating boilers, weighing over 100 kilos..	1,242,828	205,456
Transmission belts, other, n.e.m.	766,402	343,509
Belts or bands, with teeth, for carding	134,412	84,473
Motors, explosion or combustion	925,390	513,123
Motors, diesel	661,588	531,644
Motors, electric	1,805,849	805,580
Turbines	1,450,422	1,332,322
Compounds and spares of boilers, motors and turbines	2,677,166	940,182

ELECTRIC MACHINERY, APPARATUS AND MATERIAL

Although the United States was the principal supplier of these materials, total imports of which were valued at 17,360,384 pesos, Germany followed closely, imports from these two countries being valued at 7,251,385 pesos and 6,471,221 pesos, respectively.

	Total Imports Pesos	Imports from Germany Pesos
Insulators, electric and telegraph	347,255	126,548
Wire, insulated with materials other than silk	1,454,777	1,061,897
Electric current conducting cords and cables	347,347	77,887
Electric current conducting cords and cables, copper . .	2,076,273	572,005
Incandescent bulbs, 100 to 250 watts	1,150,758	673,020
Incandescent bulbs, not mentioned above	308,104	101,357
Deformable tubes with interior insulation	260,961	188,374
Carbons and electrodes	511,810	130,888
Insulating tapes	125,877	52,876
Dynamos, alternators, converters, etc.	854,100	545,269
Connections, nickelled or covered	165,524	50,167
Transformers	1,611,681	625,719
Other electrical apparatus n.e.m.	794,906	182,275
Distribution and control boards	401,839	283,180
Distribution and control boards, others, not specified .	426,107	163,055
Components and spare parts of above	409,282	75,986
Domestic lighting apparatus and wares	587,937	518,161
Electric meters and parts	656,771	255,551
Electric batteries and parts	272,889	75,980
Electric batteries and parts	873,974	168,197
Plug fuses and safety balls	122,707	69,660

TRANSPORT MATERIALS AND ACCESSORIES

	Total Imports Pesos	Imports from Germany Pesos
Electric and steam locomotives	2,672,240	172,765
Rails	3,732,941	206,555
Wheels, axles and tires, over 50 kilos	2,185,741	1,549,062
Wheels, axles and tires, under 50 kilos	153,362	91,902
Components and spare parts	602,692	130,459
Vessels	24,300,414	250,000
Aeroplanes	10,375,079	9,693,315
Repair parts for aeroplanes	475,220	327,983
Motor vehicles weighing from 501 to 1,500 kilos . .	1,252,217	654,739
Motor vehicles weighing from 1,501 to 2,000 kilos . .	7,454,993	647,456
Motor vehicles weighing from 2,001 to 2,250 kilos . .	2,028,409	122,495
Fire engines and accessories	250,655	138,908
Automobile chassis	8,079,968	1,441,791
Tractors	3,235,854	1,778,869
Rubber tires, pneumatic	2,758,192	82,397
Motorcycles	107,067	63,365
Bicycles and velocipedes	675,399	520,954
Springs	274,412	123,393
Vehicle parts and spares	1,238,259	303,575

MISCELLANEOUS MANUFACTURES

Germany was the principal supplier of miscellaneous manufactures to Chile, having supplied goods to the value of 19,526,538 pesos out of a total import value of 46,494,775 pesos.

CERAMICWARE, GLASSWARE AND MANUFACTURED STONES AND EARTHS

	Total Imports Pesos	Imports from Germany Pesos
Articles of agate, onyx and similar stones, painted, decorated, gilded, enamelled or varnished	783,421	180,101
Articles of agate, onyx and similar stones, unmounted or unset	391,477	299,208

	Total Imports Pesos	Imports from Germany Pesos
Articles of Sevres or Limoges types	128,086	113,797
Bottles, flasks, etc., more than 50 grms.	157,127	105,743
Urinals, sinks, lavatories, etc.	1,313,880	769,171
Refractory bricks	1,224,554	185,310
Bricks of porcelain, sandstone, etc.	173,363	160,150
Glasspaper, emery paper and cloth	167,669	56,652
Glass, flat, common	214,215	77,979
Glass, over 4 mms. thick	246,615	62,670
Glass, flat, n.e.m. of all sizes	137,065	69,301
Glassware, etched, coloured, etc.	397,357	205,169
Glassware, other	380,931	253,125

MANUFACTURES OF WOOD

	Total Imports Pesos	Imports from Germany Pesos
Plywood and thin boards	155,555	58,787

MANUFACTURES OF GUM, RUBBER, CELLULOID AND THE LIKE

	Total Imports Pesos	Imports from Germany Pesos
Manufactures of bakelite, celluloid, and other similar compositions	849,556	405,357
Manufactures of gum (rubber, gutta-percha, balata and other similar resins), elastic or vulcanized	307,861	235,716
Tubes and hose pipings, and their unions, etc.	637,430	163,460
Gum, in sheets of any shape, etc., n.e.m.	188,661	73,051
Gum, elastic thread, weighing less than 15 grms. per 10 metres	100,998	65,012
Footwear of all kinds, of rubber, n.e.m.	456,790	67,903

TANNERY PRODUCTS, FURS, AND DERIVATIVES

	Total Imports Pesos	Imports from Germany Pesos
Pocket books, cases, handbags, pouches, etc.	192,987	138,675
Gloves, etc., not lined	145,171	51,068

WARES OF HORN, BONE OR OTHER ANIMAL MATERIALS N.E.M. AND THE LIKE

	Total Imports Pesos	Imports from Germany Pesos
Articles of galalith	414,840	372,178

PAPER AND CARDBOARD

	Total Imports Pesos	Imports from Germany Pesos
Cardboard, paper, carton-pierre or papier maché	112,308	59,551
Newsprint	3,351,123	1,128,550
Paper, white or with a slight tint, without animal sizing	482,135	311,087
Paper, surface-coated	145,483	119,006
Paper, cigarette, in sheets, reams or reels	1,230,710	282,443
Paper, albumenized or sensitized	290,210	162,717
Paper, carbon	184,663	104,665
Paper n.e.m. weighing from 22 to 150 grms. per square metre	344,760	215,073
Paper, weighing more than 150 grms. per sq. metre	314,696	254,070
Books, catalogues, manuscripts, reviews, newspapers, etc.	1,011,689	90,022

ARMS AND MUNITIONS

	Total Imports Pesos	Imports from Germany Pesos
Cartridges, of cardboard, loaded	328,974	315,181
Cartridges, of metal, loaded	145,404	111,241

JEWELLERY, GOLD AND SILVERSMITHS' WARES, CLOCK AND WATCHMAKERS' GOODS

	Total Imports Pesos	Imports from Germany Pesos
Jewellery, trinkets, etc., of gold, silver, platinum, etc., with pearls or precious stones	320,468	216,538
Jewellery, trinkets, etc., of gold, silver, platinum, etc., without pearls or precious stones	133,589	101,978
Imitation or false jewellery	208,088	171,424
Imitation or false jewellery, n.e.m.	325,380	180,060
Pocket or wrist watches, nickelled, silvered or plated	1,096,289	228,650
Clocks of any material, not precious metal	383,711	327,808
Clocks, wall and grandfather, n.e.m.	136,262	111,265

ARTICLES AND INSTRUMENTS FOR THE SCIENCES AND FINE ARTS
AND APPLICATIONS THEREOF

	Total Imports Pesos	Imports from Germany Pesos
Eyeglasses, pince-nez, or spectacles with frames	175,174	86,678
Apparatus, machinery and instruments, for sanitation, health or social help, imported by public institutions	513,433	464,687
X-ray and violet ray, etc., apparatus	925,098	850,347
Biographs, cinematographs, etc., and parts	244,799	95,629
Telephonic receiving and transmitting apparatus	708,224	188,796
Radio receiving apparatus and parts	3,468,820	538,967
Positive or negative photographs on celluloid films..	2,365,705	86,610
Assay and cupelling ovens, etc., n.e.m.	346,200	204,600
Scientific hand instruments	279,141	229,437
Machines and apparatus for pure and applied sciences n.e.m. weighing up to 20 kilos net	386,472	325,485
Mouth organs and harmoniums	156,325	154,123
Photographic and motion-picture cameras	403,697	353,449
Calculating machines and parts	648,137	245,110
Typewriters and parts	1,337,443	214,093
Measuring instruments of length	187,250	134,335
Materials and articles for educational purposes, imported by such bodies	160,354	95,903
Materials and other articles for educational purposes	128,598	102,846
Sensitized photographic films, not printed.. . . .	581,049	228,369
Thermometers for all purposes, and other meteorological apparatus n.e.m.	507,088	315,853
Thermos flasks and spares	133,651	130,891
Brushes, toilet	189,548	110,027
Armaments of all kinds, for state forces	875,215	874,755
Mechanical toys, etc.	392,098	216,293
Toys, other, etc.	499,267	468,229
Pencils	430,481	365,084
Coins of silver	215,569	215,569

NEW TRADE COMMISSIONER OFFICE OPENED IN CHICAGO

Mr. W. J. Riddiford, lately Canadian Trade Commissioner at Panama, has opened for business in Chicago the second of two new offices of the Commercial Intelligence Service in the United States. The first of these was just previously opened at Los Angeles. The address of the Chicago office is Tribune Tower, 435 North Michigan Avenue.

SUMMARY OF THE TRADE OF CANADA; MONTH, ELEVEN MONTHS, AND TWELVE MONTHS ENDING NOV., 1939

(EXCLUDING GOLD)

(Compiled by External Trade Branch, Dominion Bureau of Statistics)

Main Groups	Month of November, 1939				Eleven Months ending November, 1939				Twelve Months ending November, 1939			
	From United Kingdom		From United States		From United Kingdom		From United States		From United Kingdom		From United States	
	Total Imports	\$	Total Imports	\$	Total Imports	\$	Total Imports	\$	Total Imports	\$	Total Imports	\$
<i>Imports for Consumption</i>												
Agricultural and Vegetable Products.....	12,912,764	1,099,545	4,605,762	114,878,204	12,004,229	41,043,979	128,757,847	13,314,618	44,140,099			
Animals and Animal Products.....	3,605,004	658,013	1,638,542	28,832,371	3,431,474	14,843,350	30,195,039	4,178,383	15,453,701			
Fibres, Textiles and Textile Products.....	13,094,962	4,945,794	6,253,553	90,109,220	37,907,953	35,956,095	95,019,352	40,346,511	38,099,846			
Wood, Wood Products and Paper.....	3,470,060	365,493	2,933,560	30,633,618	2,904,943	26,053,812	33,062,979	3,072,551	28,075,099			
Iron and its Products.....	20,358,218	2,575,932	17,523,108	164,283,915	17,888,287	141,225,747	175,605,119	18,946,086	151,249,235			
Non-Ferrous Metals and their Products.....	5,173,933	573,197	3,464,444	37,757,507	4,847,103	25,928,217	40,343,826	5,316,180	27,642,849			
Non-Metallic Minerals and their Products.....	15,609,036	1,414,176	12,909,818	123,426,758	11,329,455	98,607,138	130,175,880	11,934,401	104,148,484			
Chemicals and Allied Products.....	5,639,717	1,073,943	4,034,459	39,473,396	6,711,796	27,639,764	41,655,863	6,991,839	29,028,375			
Miscellaneous Commodities.....	4,637,467	772,019	3,532,296	49,521,207	8,119,246	36,502,902	52,813,077	8,476,540	39,151,135			
Total Imports, 1939.....	84,561,211	13,478,112	56,985,572	678,946,196	105,544,486	447,801,004	723,232,182	112,577,409	476,988,823			
1938.....	63,303,669	11,026,638	37,651,046	633,165,368	112,259,507	395,542,748	686,290,407	120,925,730	430,374,728			
1937.....	80,640,504	14,997,278	46,392,831	755,771,286	138,625,328	455,672,998	808,767,780	147,131,556	488,290,903			
<i>Exports (Canadian Produce)</i>												
Agricultural and Vegetable Products.....	28,822,135	8,272,683	14,369,089	180,127,027	82,776,051	54,482,854	198,179,465	91,991,785	58,727,201			
Animals and Animal Products.....	13,834,842	8,491,746	3,608,387	118,737,140	65,705,637	39,886,137	129,268,148	71,095,636	43,388,932			
Fibres, Textiles and Textile Products.....	1,083,985	121,119	106,190	13,516,604	3,316,407	2,175,356	14,449,799	3,552,806	2,246,714			
Wood, Wood Products and Paper.....	22,891,359	2,028,808	17,738,750	220,207,598	40,733,689	149,884,969	237,967,891	44,080,226	161,799,657			
Iron and its Products.....	5,678,575	1,328,891	481,472	58,183,195	14,918,919	4,516,346	62,516,002	15,582,587	4,893,673			
Non-Ferrous Metals and their Products.....	17,686,703	8,246,421	5,826,421	170,176,296	78,508,971	44,310,577	182,645,875	84,270,682	47,310,123			
Non-Metallic Minerals and their Products.....	3,587,274	570,829	1,932,123	25,819,401	3,180,920	14,262,848	28,008,242	3,301,092	15,280,507			
Chemicals and Allied Products.....	2,201,003	446,414	721,032	22,069,103	5,428,890	8,772,945	23,503,134	5,900,523	9,278,121			
Miscellaneous Commodities.....	1,377,000	341,740	727,820	15,068,218	4,197,554	7,623,901	16,253,691	4,526,268	8,207,465			
Totals, 1939.....	97,163,176	30,007,851	45,201,061	823,904,582	298,766,838	326,395,933	892,792,247	324,301,605	351,132,393			
1938.....	85,979,453	25,749,739	28,386,763	768,696,252	314,153,918	245,734,739	843,788,936	345,391,373	271,351,860			
1937.....	100,723,846	49,099,468	27,871,969	922,274,234	370,824,639	334,355,012	1,015,018,087	408,144,529	369,343,385			
<i>Exports (Foreign Produce)</i>												
Totals, 1939.....	1,327,100	28,756	1,208,685	10,044,403	739,424	8,522,647	11,019,674	798,867	9,319,489			
1938.....	851,279	58,345	689,818	10,124,945	1,676,247	7,599,895	10,920,163	1,754,132	8,121,863			
1937.....	1,184,832	97,571	946,871	13,950,645	1,218,639	11,576,666	15,282,988	1,315,558	12,626,992			
<i>Excess of Imports (i) or all Exports (e)</i>												
Totals, 1939.....	(e) 13,929,155	(e) 16,558,495	(i) 10,488,826	(e) 155,002,789	(e) 193,991,776	(i) 112,882,424	(e) 180,579,739	(e) 212,523,063	(i) 116,586,941			
1938.....	(e) 23,527,063	(e) 24,781,446	(i) 8,574,465	(e) 145,695,829	(i) 203,570,668	(i) 142,318,124	(e) 108,427,693	(e) 226,213,775	(i) 150,891,005			
1937.....	(e) 21,238,174	(e) 34,199,761	(i) 17,573,991	(e) 180,453,991	(e) 233,417,950	(i) 109,711,930	(e) 222,153,895	(e) 262,323,531	(i) 106,821,526			

IRRIGATION IN INDIA

PAUL SYKES, CANADIAN TRADE COMMISSIONER

(Rs.1 is approximately equal to Can.\$0.33)

Calcutta, November 10, 1939.—Irrigation has been practised in India for many years past and has gradually become indispensable to agricultural production in many parts of the country. Rainfall in India probably shows wider variations than in any other country in the world, parts of Assam province having a recorded average precipitation of 460 inches and some districts in Sind province no more than three inches. Variations as between the seasons are also severe and excess or deficiency in the rainfall frequently leads to considerable distress throughout the farming community. To counteract the effects of insufficient rainfall it has become common in many areas to utilize wells, tanks, and other reservoirs for water storage. This practice has gradually extended and India is now employing, in addition to many primitive schemes, some of the most extensive in the world. The production of field crops in many parts of the country is dependent on the artificial conservation and distribution of the water required for their growth.

DEVELOPMENT OF IRRIGATION SCHEMES

The policy of irrigating land which might otherwise be unproductive has made marked progress in the last sixty years. Prior to that time, water which had been stored in wells, depressions, tanks (artificial lakes), or which could be drawn by gravity from rivers, was utilized in some parts of the country to ensure or improve field-crop production. It was in comparatively few instances, however, that this was done or that a simple earth wall was constructed to hold water in rivers or streams until it should be needed. Government assistance in the construction of dams and canals and in the demonstration of the value of irrigation has since exercised a marked influence on agricultural production throughout many districts and on the welfare of an important element in the whole population. From an estimated area of $10\frac{1}{2}$ million acres under irrigation in 1878, the total had increased to $32\frac{1}{4}$ million acres in 1936-37 and as such made up over one-eighth of the total area under cultivation.

Irrigation works in this country are formally classified as productive, unproductive, or minor. The first of these groups includes those involving capital expenditure on which a profit or a reasonable interest return is anticipated. Unproductive works are those financed from current revenues and designed for the benefit of otherwise useless areas or to prevent the necessity of periodical outlays on relief. Minor works cover the many small projects towards which all or a part of the cost may have been contributed by the Government, but which are of insufficient importance to necessitate continual supervision or a detailed accounting of the capital expended on them.

EXPENDITURE ON IRRIGATION SCHEMES

It is estimated that up to March 31, 1937, total expenditure on irrigation works in India amounted to Rs.1,540,400,000. This imposing figure covers the outlays of many years. Most of it has been contributed by the Central Government; but several of the Indian States have participated in some of the schemes, and certain of the provincial governments, with the recent inauguration of provincial autonomy, are also interested in this aspect of agricultural policy.

The planning and administration of the more important irrigation schemes and the expenditure involved is under the supervision of a Central Board of

Irrigation, which reports to the Secretary of the Labour Department. It is assisted by a Central Bureau of Irrigation, which advises on projects in different parts of the country and generally serves as an intelligence service to the central board.

IRRIGATION IN VARIOUS PROVINCES

The largest expenditures on irrigation schemes have been in the Punjab, Sind, United Provinces, Madras, and Bombay. In the Punjab the capital cost of irrigation works up to March 31, 1937, was Rs.349,200,000. At the same time the area irrigated by government works amounted to 11,941,200 acres, or more than a third of the total area under cultivation in the province, and the value of crops harvested on these irrigated lands was estimated at Rs.474,100,000. Sind province is remarkable in that over 86 per cent of the area under cultivation is irrigated land. In Madras, the Northwest Frontier Province, and the United Provinces, the percentages are 20, 17, and 11, respectively. Altogether the value of crops raised on land receiving government irrigation is estimated at Rs.1,142,300,000.

It is of interest also to note the considerable use of well irrigation, apart from the larger government schemes. No less than 2,535,365 wells are in use for irrigation purposes and others to the number of more than one-fourth of that number have been recorded as in working order but not in use. Most of these are in the United Provinces, Madras, and the Punjab, the area served by them reaching the very considerable total of 11,907,638 acres.

IRRIGATION REVENUES

There are many different systems of collecting revenue from irrigated lands to be placed against capital and upkeep expenditure. In some provinces the ordinary land taxes include charges for water provided; in other instances the rates vary as between irrigated and unirrigated areas. It is not uncommon for rates to fluctuate according to the difficulty of providing water. The same condition applies to the types of crop for which water is required. In general, the policy of the governments concerned is to provide as much of the water required as possible and to charge as little for it as possible. It is also customary in cases of total or partial crop failure to remit the whole or the major part of such taxes.

Revenues collected from irrigation schemes in the Punjab have recently averaged 14·5 per cent of invested capital. This figure is the highest recorded in any province, returns in others ranging from 11·3 per cent in the Northwest Frontier Province down to 5·8 per cent in the United Provinces. Revenues collected throughout the whole country amounted to Rs.145,100,000 in 1936-37. With the deduction of working expenses the net annual return on capital investment was 6·09 per cent.

MAJOR IRRIGATION SCHEMES

The Lloyd Barrage and its complementary canal scheme is the largest irrigation project yet undertaken in India or elsewhere. Located in Sind province, where the need of such facilities was a pressing one, the barrage itself is of great size. The waters of the river Indus, controlled by its regulators and distributed through an extensive canal scheme, provide irrigation for approximately 5,500,000 acres of land which would otherwise be of small agricultural value. The Sutlej Valley Works in the Punjab is another large project which provides perennial irrigation for over 2,000,000 acres and occasional water supplies for over 3,000,000 acres more. The Cauvery-Mettur Project in Madras is the third important undertaking of this type. It has been designed

to improve existing irrigation services in the Cauvery delta and to provide them for areas which previously had no such facilities. Expenditure on these three projects alone is estimated to have amounted to Rs.607,600,000.

RELATIONSHIP WITH HYDRO-ELECTRIC SCHEMES

The future of industrial development in India will depend to a considerable degree on hydro-electric power development and the availability of electricity for industrial use in substantial amounts and at reasonable cost. The natural relationship between this requisite and the demand for water for irrigation purposes is obvious. Apart from enterprises already planned and in operation for this dual purpose, it is anticipated that many further projects of the same kind will be undertaken in future. Joint investigations into the two problems have already been made by irrigation and electrical advisers to various local governments.

The Cauvery-Mettur development in Madras province, to which reference has been made above, is primarily an irrigation scheme; but a part of the large reserves of water which it provides is converted into electric power. The scheme has already encouraged a marked development in manufacturing activity in this district of Southern India. Similar developments in the United Provinces and the Punjab have also been undertaken or are under consideration. One of India's more important resources will accordingly be of vital assistance to the improvement of agriculture as well as to the development of manufactures.

NETHERLANDS MARKET CONDITIONS FOR CARBON PAPER AND TYPEWRITER RIBBONS

W. G. STARK, ASSISTANT COMMERCIAL ATTACHÉ

(For ton read metric ton, equal to 2,204 pounds; one kilo equals 2.2 pounds; one florin or guilder equals approximately \$0.59 at present rate of exchange.)

Rotterdam, December 16, 1939.—Sales competition in carbon paper and typewriter ribbons is extremely keen in Holland. There is a local manufacture of both, in addition to considerable imports. As the Netherlands have a one-column tariff, imports of carbon paper and ribbons from all countries are assessed the same rates of duty, and therefore this field is an open one. So far prices quoted by Canadian factories have been above the domestic market offers, and attempts to obtain business have not been successful.

CARBON PAPER

Carbon paper entering the Netherlands is assessed 21 per cent ad valorem import duty on the c.i.f. value. There is in addition a turnover tax of 4 per cent of the duty-paid value, but this is also applicable to sales of domestically produced carbon papers.

Carbon paper is made in Holland, the best known plants being Talens, Gimborn, and Carbonia. In addition there are other smaller factories whose lines enjoy fair sales. This production is supplemented by a considerable volume of imports, which in 1938 amounted to 124 tons and were valued at fl.199,000 (approximately \$117,410). These supplies came chiefly from Greater Germany, as shown in the following table:—

Netherlands Imports of Carbon Paper in 1938

	M. Tons	Fl. 1,000
Total	124	199
Germany	70	92
Austria	17	29
Belgium	4	7
Great Britain	25	47
France	1	2
United States	6	20

In addition to the figures given above there were also 7 tons of carbon paper valued at fl.24,000 which were imported into Holland by post, of which fl.13,000 was credited to Greater Germany; fl.7,000 to Great Britain; and fl.2,000 to France.

During the 10 months January-October, 1939, there was an importation of 143 tons valued at fl.200,000 (\$118,000) of which Greater Germany supplied 106 tons (fl.130,000); Great Britain, 24 tons (fl.43,000); and Belgium, 5 tons (fl.11,000).

It will be noted from the foregoing that the imports of carbon paper continue to arrive in considerable volume. There has as yet been no slackening due to war conditions in the amounts offered by the various countries. Imports from Germany have increased, and no special conditions have been created of which Canadian manufacturers could take advantage.

PRICES

Prices, as previously mentioned, are exceptionally competitive. According to reliable information supplied by agents, manufacturers' prices to the trade for carbon paper are roughly as follows, per box of 100 pieces folio:—fair quality, from fl.0.75 to fl.1.25 (\$0.44 to \$0.74); better and best qualities, fl.1.50 to fl.2.50 (\$0.89 to \$1.48).

It must be borne in mind, however, that these quotations can only be obtained for manufacturers' brands which are well known to the buying public. The most popular marks of foreign carbon papers appear to be German (Geha, Greif); British (Kolok); Austrian (Kores); Belgian (Mabelpap).

PENCIL CARBON

Pencil carbon paper is sold in folio size (33 by 21 centimetres) at prices varying from fl.0.70 to fl.1.90 (\$0.41 to \$1.12 approximately) per 100 sheets. Paper measuring 44 by 45 cm. also sells well and can be bought at from fl.1.75 to fl.5.50 (\$1.03 to \$3.25) per 100 sheets, depending on quality.

TYPEWRITER RIBBONS

On entering the Netherlands, typewriter ribbons are subject to a customs duty of 19 per cent ad valorem of the c.i.f. value. Here also the 4 per cent turnover tax on the duty-paid value is collectible.

There is no manufacture of typewriters in Holland, and the principal types of machines on this market are the following: A.E.G. and Continental (Germany); Husquevarna (Sweden); Underwood, Remington, Smith Premier (United States); Olivetti (Italy); and Hermes (Switzerland).

The best known typewriter ribbons are Talens and Gimborn (Holland) and Geha (Germany), although Belgium, France and Great Britain, as well as the United States, also supply this market.

There are no separate statistics as to the actual import of ribbons, since these are lumped under the general heading "typewriters and parts" in the official returns.

According to the trade, manufacturers' prices to agents for standard quality ribbons are approximately fl.0.45 to fl.1.10 each, or roughly (\$0.27 to \$0.65). These are packed in bakelite boxes and the majority of manufacturers give a free window display if the agent purchases from 12 to 24 ribbons at a time.

LIST OF IMPORTS INTO BRAZIL FROM GERMANY

The Department of Trade and Commerce, Ottawa, has received from the Canadian Trade Commissioner at Rio de Janeiro a very complete list of commodities imported into Brazil from Germany in 1938. In view of the curtailment of exports from that country to Brazil it is possible that Canadian exporters may be able to furnish many of these commodities advantageously. Interested exporters should apply to the Department of Trade and Commerce, Ottawa, for the German-Brazilian trade list.

WHEAT AND FLOUR TRADE REGULATION IN FRANCE

J. P. MANION, ASSISTANT COMMERCIAL ATTACHÉ

Paris, October 20, 1939.—Since the publication of a report on the same subject in *Commercial Intelligence Journal* No. 1812 (October 22, 1938), there have been few changes in the regulations governing the marketing of wheat in France. Those which have been made are due to the heavy crop of 1938, amounting to approximately 105,000,000 quintals (385,000,000 bushels). The work of the National Wheat Office was facilitated in the preceding years by the fact that the French crop was slightly below domestic requirements. But in 1937, for the first time, and in 1938, to a much greater extent, this organization was called upon to deal with a crop far beyond domestic requirements.

During the second year of this excess production, the original regulations, which protected all producers to the same extent by guaranteeing them a fixed price for wheat, were changed in such a way as to provide that larger producers should pay progressive taxes, thus lowering their returns according to their total crops. Despite this regulation, the crop for the year during which it was in force was the largest ever harvested in France, and the National Wheat Office decided that more stringent regulations were necessary.

RECENT CHANGES IN THE REGULATIONS

These new regulations are the basis of the only important change in the law this year. This change provides that if the crop is larger than 90,000,000 quintals (330,000,000 bushels), each producer must deliver without payment the excess proportion of his crop to the National Wheat Office. The amount of such free deliveries will be calculated on the basis of surplus (made up of crop plus carryover) divided by normal consumption.

Although the part of the crop in question will not be paid for immediately, the National Wheat Office will naturally sell this surplus either through the export market or for the production of alcohol or as feed, and it is provided that at the beginning of the next crop year the National Wheat Office will divide the profit from these operations among the producers.

It is to be noted that these provisions were added to the law at the end of July; that the wheat crop, although adequate, was not as large as anticipated; and that the war has intervened. Because of these factors, the new regulations have never been implemented. They are noted here as being merely the basis for some future action on the part of the National Wheat Office.

The only other changes of note are in regard to methods of payment. Bread wheat is paid for at the rate of 197.50 francs per quintal (\$1.36 per bushel). If a producer raises only 50 quintals (about 200 bushels) of normal grade wheat, he obtains this price less 4 francs per quintal. But if he produces between 50 and 100 quintals, his tax is 6 francs per quintal. Between 100 and 200, the tax is 8 francs; 200 to 400, 10 francs; 400 to 600, 12 francs; 600 to 800, 14 francs; 800 to 1,000, 16 francs; and over 1,000, 18 francs.

A farmer producing 3,666 bushels will therefore receive 197·50 francs, less 18, or 179·50 francs per quintal. At current rates of exchange this amounts to \$1.22 per bushel. This applies only to wheat weighing between 74½ and 75½ kilos per hectolitre. For every kilogram of specific weight below this figure, there is a penalty in the price of 1·50 franc per quintal. Furthermore, this is for wheat having only 2·76 per cent of foreign matter, other grains, etc. There is a further reduction for proportions above this percentage.

The wheat is to be sold throughout the year to the miller at 214 francs per quintal (\$1.46 per bushel), deduction being made as above for inferior qualities. The difference between buying and selling price is expected to defray administrative and other expenses, including transport and storage. Storage costs are calculated at 1·50 franc per quintal per month. If the farmer stores his own wheat, he obtains this much more for every month of storage.

A further decree since the war (published September 16) fixes the extraction rate of flour. This has generally been about 67 in France, but probably in order to save supplies of wheat, this decree states that the extraction rate must be 2 points above the specific weight of the wheat used. Since the normal specific weight is 74 to 75 kilos per hectolitre, this evidently means that the extraction rate must be increased to 76-77. This change will provide almost 15 per cent more flour for each bushel of wheat used.

ORIGINAL POLICY OF THE WHEAT OFFICE

The foregoing are the only changes of significance in the regulation of the wheat and flour trade in France. The principal features of the basic regulations are reviewed hereunder.

The theory behind the formation of the National Wheat Office was that open market operations on wheat showed the lowest prices at harvest time, when the farmer was obliged to sell, and the highest prices when supplies were closely held by dealers or "speculators," the French propaganda bugbear. Therefore, by prohibiting open market dealings, and resorting to a fixed price within a closed economy, it was reasoned that the producer would obtain the highest prices compatible with consumer interests. For this purpose a fixed price to the producer was essential, while all additional charges were to be added to this fixed price, permitting, therefore, of some fluctuation in the selling price to the miller.

Theoretically the most important change noted in the new regulations just published is that this principle has been modified. The fixed price arrived at for this year is to be supplemented by a fixed charge to cover storage and administration, so that millers will obtain their wheat at a definite price less cost of transport. The producer, on the other hand, while nominally receiving the fixed price, is to bear certain graduated taxes according to the size of his crop.

PROVISIONS OF THE WHEAT LAW

A law was passed on August 15, 1936, instituting a National Wheat Office. This office was to fix the price of wheat to the producer, fix the conditions of trade and the selling price to the millers, determine the amount of wheat which could be placed on the market in any one month, arrange for immediate advances to the producer, where necessary control production and regulate the liquidation of surpluses, and have an absolute monopoly of import and export trade. Since the price of bread was already under the control of departmental prefects, based on definite principles of price spread, the whole transition from the producing to the consuming stage was therefore placed under the direct supervision of the State.

For the purpose of administration complete power was vested in a Central Council composed of 52 members, of which 30 were representatives of the producers, 9 represented the consumers, 9 represented millers, bakers and the trade, and 4 represented various departments of the Government.

The decisions of a straight majority were to be effective except in fixing the price of wheat, when four-fifths of the members were to constitute a quorum, and three-quarters of those present were to be in agreement. If these conditions were not fulfilled, price-fixing powers were transferred to the Government-in-Council.

Execution of Central Council decisions was left in the hands of Departmental Committees formed on the same basis as the National Council. Since there are 90 departments in all, this represents a formidable array of administrators throughout the country. The Departmental Committees are responsible for gathering information for the use of the Central Council, and for the formation of co-operatives to handle the purchases from the producers.

From April 15 to May 1 of each year every producer must submit an exact statement of his acreage sown to wheat. By August 15 the Central Council must fix the price of wheat for the crop year. This date has recently been changed to July 1 in the case of durum wheats, since these are raised in the North African Colonies where the crop is harvested by that time.

Before September 30 each producer must declare the total amount of his crop. On the basis of crop figures and the rate of liquidation, the Central Council is to decide before February 1 of each year what amounts, if any, of wheat are to be imported or exported up to September 1, at which date the following year's crop will be on the market.

Before November 1 the Central Council will fix the proportion of each producer's wheat to be placed on the market month by month up to June 30 of the following year. Previous to that, the first 100 quintals of each farmer's production may be placed on the market, this amount being considered sufficient for current needs.

As soon as the price of wheat is fixed, the farmer may obtain immediate payment of the full price for his first 100 quintals of wheat. If he wishes to sell previous to the fixing of the wheat price, he will receive for his first 100 quintals a certain percentage of the probable price.

PRINCIPLES OF PRICE FIXING

In calculating the price to be fixed for deliveries of wheat, it was accepted that the average price during the years 1911 to 1913 inclusive had given a satisfactory return to the farmer. It was therefore decided that this average price could be taken and multiplied by four different coefficients: (1) increase in cost of living, (2) increase in salaries of agricultural workers, (3) increase in price of production goods, and (4) increase in fiscal charges weighing on the producer. The quotient of these increases is generally accepted to be between 5 and 6 times pre-war values (the franc was worth about 6 times more previous to 1920).

MILLING IN BOND

While imports into France during the past five years have been small, there has always been a system of milling in bond, permitting of the strengthening of French flours by the addition of strong gluten wheats. Up to August, 1936, this was called the temporary admission system, because imports were allowed provided there was an equivalent exportation within a certain specified time.

So many objections to this system had been raised prior to the passing of the new law that a change was expedient. It was thereupon decided that

in all future transactions entailing milling in bond, the exportation of French wheat or its derivatives would have to take place prior to the importation of compensating amounts. In this way a closer check could be kept on transactions, since no imports could be cleared unless export clearance papers covering the amount of the imports were duly surrendered.

A miller wishing to import hard wheat for mixing must make a demand under defined conditions to the Central Council, accompanying his demand with a statement of imports during previous years. Demands may be granted only in fixed proportions to previous imports. At the same time he must make a demand for permission to export certain specified amounts and types of wheat derivatives.

Because of the rigidity of the requirements, millers do not import more than the bare minimum necessary for strengthening their exported flour. In the first place they must sell their exported flour on some foreign market, very often at a loss, so that there is every inducement to import as little as possible. Not more than 5 per cent strong wheat is used in the mixtures of the best millers at the present time on account of the difficulty of importation. Under ordinary conditions most French millers are in agreement that about 15 per cent strong wheat would be necessary for the production of the type of flour best suited to French requirements.

NEW REGULATIONS SINCE 1937

On November 23, 1937, a decree was published incorporating in the original law the amendments which had been made from time to time since it was passed. There are few changes of importance, the only one of interest being in respect to the fixing of a milling tax on a new scale, which has since been twice changed. At present mills delivering up to 300 metric tons of flour or semolinas are exempt from the tax; others are assessed according to deliveries as follows: 300 to 800 tons, 18.50 francs per ton; 800 to 3,000 tons, 34.50 francs; 3,000 to 5,000 tons, 45.50 francs; and over 5,000 tons, 56 francs per ton. Millers also pay a yearly licence tax, amounting to 5,400 francs for those milling over 5,000 tons annually.

Another important change affecting milling is the application, agreed upon by referendum, of a milling quota beginning June 27, 1938. No mill is allowed to produce in one year more than its average yearly production from 1927 to 1935 plus half its total productive capacity for 300 days.

An important decree of June 17, 1938, amended the codified law above mentioned, and changed the basis upon which excess production was to be absorbed. As stated previously, it was decided to impose a tax, depending on the size of the farmer's crop, to meet the expenses of disposing of surplus production.

The National Wheat Office is to turn over to the Alcohol Monopoly 50,000,000 francs annually for experimental and practical work in the distillation of wheat. To cover this and other experimental work another special tax was instituted. This tax is paid by the buyers of wheat and not by the producers. It is provided for by making the basic price of wheat at the beginning of the season uniform with that prevailing at the end after all storage costs have been paid.

IMPORTS OF WHEAT AND FLOUR

The importation of flour into France is prohibited, and imports of wheat are also prohibited except in amounts determined by the National Wheat Office. Real imports are not permitted except after a special decision of the Wheat Office. However, millers may import strengthening wheats if they can show that they have exported equivalent amounts of wheat or its derivatives.

TRADE STATISTICS

The following tables show imports into and exports from France of wheat during the years 1932 to 1938, inclusive:—

French Imports of Wheat

	1938	1937	1936	1935	1934	1933	1932
	Figures in Metric Tons of 2,204 Pounds						
Canada	163,064	171,062	159,964	213,553	261,447	374,124	670,290
Argentina	11,727	14,886	1,833	10,616	22,878	9,256	445,019
Algeria, Morocco and Tunisia	270,025	239,906	357,624	467,180	410,144	430,861	659,468
United States	21,314	9,787	1,101	1,466	3,805	14,269	214,161
Russia .....	.....	.....	1,966	5,137	8,018	.....	.....
Roumania .....	.....	.....	.....	.....	41	431	32,629
Belgium .....	.....	.....	6	321	268	3,967	14,358
Germany .....	.....	.....	.....	75	304	.....	.....
Hungary, Bulgaria and Yugo-	.....	14,342	.....	.....	2	730	43,558
slavia .....	.....	.....	145	1,644	1,216	.....	.....
Chile .....	.....	.....	474	1,255	.....	.....	.....
Iraq	3,214	7,687	359	183	117	4,303	27,243
Other countries	1,655	2,322	2,325	.....	.....	.....	.....
French Colonies .....	.....	2,360	.....	.....	.....	.....	.....
	470,999	462,352	525,777	701,430	708,240	837,941	2,106,726

French Exports of Wheat

	1938	1937	1936	1935	1934	1933	1932
	Figures in Metric Tons of 2,204 Pounds						
Great Britain	40,674	7,793	250,649	371,145	83,187	.....	.....
Italy .....	.....	.....	.....	140,620	40,041	.....	.....
Holland	18,957	.....	.....	.....	.....	.....	.....
Germany .....	.....	4,419	.....	.....	55,686	.....	.....
Belgium	9,169	3,110	22,100	53,686	.....	.....	.....
Switzerland	75	4,965	14,495	8,182	.....	.....	.....
Ireland .....	.....	.....	.....	.....	.....	.....	.....
Denmark .....	.....	.....	5,785	186,571	120,849	.....	.....
Spanish Morocco .....	.....	.....	8,297	10,920	.....	.....	.....
Other countries	1,255	39	5,537	49,354	48,354	60,228	128
French colonies	705	2,374	9,244	30	4	177	1,941
	70,835	24,760	316,107	820,508	348,121	60,405	2,069

Imports into and exports from France of flour during the years 1932 to 1938, inclusive, were as follows:—

French Imports of Flour

	1938	1937	1936	1935	1934	1933	1932
	Figures in Metric Tons of 2,204 Pounds						
Argentina	439	.....	.....	.....	.....	.....	.....
Algeria, Morocco and Tunisia	40,015	35,083	51,884	56,737	50,285	29,448	15,998
United States .....	.....	883	746	588	.....	.....	.....
French Colonies .....	.....	56	163	148	49	54	4
Other countries	358	630	476	432	1,127	885	707
	40,812	36,652	53,269	57,905	51,461	30,387	16,679

NOTE.—All imports, except from North Africa, are for use on ships calling at French ports.

French Exports of Flour

	1938	1937	1936	1935	1934	1933	1932
	Figures in Metric Tons of 2,204 Pounds						
Belgium	8,241	24,024	20,633	24,211	22,948	33,178	2,389
Egypt .....	.....	.....	.....	.....	1,201	432	1,674
Germany .....	.....	.....	.....	.....	1,502	387	9,337
Great Britain	10,208	22,633	34,723	42,567	53,923	62,717	24,065
Italy	9,376	.....	.....	.....	.....	.....	.....
Holland	6,885	6,590	7,685	10,066	17,595	11,783	11,294
Spain .....	.....	.....	.....	.....	45	1,171	1,424
Turkey .....	.....	.....	.....	5,358	88	125	143

	1938	1937	1936	1935	1934	1933	1932
		Figures in Metric Tons of 2,204 Pounds					
Switzerland	928	3,629	180	1,691	5,047	4,819	38,685
Other European countries . .	175	.....	.....	.....	.....	.....	.....
Spanish Morocco and Canaries	3,157	2,267	21,328	13,535	21,884	20,034	15,535
West Africa . . . . .	.....	1,444	3,885	5,627	280	255	1,204
East and Equatorial Africa..	270	.....	.....	.....	.....	.....	.....
Norway	3,769	4,532	3,667	2,845	4,009	5,190	2,723
Finland . . . . .	.....	.....	.....	.....	427	1,166	798
Arabia . . . . .	.....	280	2,719	3,998	.....	.....	.....
Algeria	7,254	3,901	2,188	3,536	3,694	2,343	1,059
Guyana	2,178	.....	.....	.....	.....	.....	.....
Morocco . . . . .	.....	379	1,935	1,040	436	1,076	7,151
Tunisia	2,768	2,609	1,287	894	5,498	1,865	1,108
French West Africa..	12,331	16,287	14,618	15,411	12,407	9,982	9,600
Madagascar	3,490	2,904	2,991	2,373	1,559	776	685
Syria	2,061	3,089	2,484	2,395	18,385	30,349	13,574
Martinique	2,232	3,521	3,630	4,623	.....	.....	.....
Other French Colonies..	2,499	4,226	4,075	3,065	4,530	4,437	1,105
Other countries	5,092	13,674	4,892	10,078	23,144	15,495	3,908
	82,914	115,989	132,910	153,313	198,602	207,560	147,461

WHEAT AND FLOUR PRODUCTION AND TRADE IN ROUMANIA

HENRI TURCOT, CANADIAN TRADE COMMISSIONER

(100 lei equal approximately \$0.79 Canadian; one hectare equals 2.471 acres; one hectolitre equals 2.75 bushels; one metric ton equals 2,204 pounds)

Cairo, December 2, 1939.—Favoured with a suitable climate and a rich soil, Roumania is predominantly an agricultural country. Cereals account for by far the largest part of Roumanian agricultural production. Among the cereal crops, maize is easily the most important; it is, however, of less significance in the country's export trade than wheat, the export value of which is considerably greater. On the other hand, Roumania's exports of flour have become unimportant.

WHEAT PRODUCTION

The area sown to wheat in Roumania has increased from 3,079,452 hectares (7,609,326 acres) in 1934 to 3,487,675 in 1937 and 3,812,242 (9,175,050 acres) in 1938. The area for 1939 is estimated at much the same figure as that for the preceding year. The wheat harvest was recorded in 1934 at 2,083,458 metric tons as compared with 3,700,921 in 1937 and 4,821,432 in 1938. Home consumption is placed at about 2,400,000 metric tons, leaving in normal years a substantial surplus for export.

The species of wheat most extensively cultivated in Roumania are the bearded winter wheats, which are classified according to the colour of the ears as "white" and "red," the former being the most used. The average weight per hectolitre (2.75 bushels) of Roumanian wheat is 75 to 76 kilograms (165 to 167 pounds) containing 3 to 4 per cent foreign matter. The hot, dry weather which is prevalent at the time the wheat matures, is responsible for its high percentage both of glossy kernels and protein and gluten content, which gives flour of superior quality. The average moisture is given at 10 to 14 per cent.

FLOUR MILLING

Flour milling, in common with the branches of national industry closely connected with agriculture, has been greatly expanded and the industry can provide, in addition to the domestic demand, considerable quantities of flour for export. However, while Roumania exported large quantities of flour before the last war to countries in the Near East, her flour exports are now insignificant owing to the exchange and import restrictions introduced since in those countries. Consequently, Roumanian mills are not working to capacity.

PRICE FIXING AND EXPORT PREMIUM

A minimum price for wheat of 42,000 lei per carload of 10 metric tons has been fixed by law. This price is to be increased by 1,000 lei for the months of October and November and by 3,000 lei for December, but on January 1, 1940, the price falls again to 42,000 lei. These prices apply to wheat of first quality weighing 75 kilos per hectolitre and having a maximum of 3 per cent foreign matter. The prices increase or decrease by 1 per cent per kilogram of difference in weight per hectolitre and per 1 per cent difference in the percentage of foreign bodies.

Wheat, wheat flour and wheat meal exporters receive an export premium and a percentage of the exchange resulting from exports, provided they can produce proof that the wheat exported has been bought at no less than the legal minimum price. The amount of the premium is fixed from time to time by the Ministry of National Economy.

To cover the export premiums a new tax has been introduced of lei 0.90 per kilogram on all wheat and rye flour ground by mills classified as "commercial." This tax is doubled when proof cannot be supplied that the grain was purchased at the legal minimum price or over.

WHEAT AND FLOUR PRODUCTION IN BULGARIA

HENRI TURCOT, CANADIAN TRADE COMMISSIONER

(100 leva equal approximately \$1.23 Canadian; other weights and measures as for Roumania)

Cairo, December 2, 1939.—Close on 80 per cent of Bulgaria's total population of 6,300,000 are engaged in farming pursuits, and it is estimated that 60 per cent of the national income is derived from agriculture. Cereal production occupies a prominent place in Bulgaria's rural economy. In this particular branch, the country is not only self-supporting, but usually has exportable surpluses.

The world slump in wheat and rye prices caused the Bulgarian Government to launch in 1930 a scheme for compensating producers of these commodities. Later, on January 1, 1934, a state monopoly of the trade in wheat and rye was established, the administrative organ being the "Direction for the Purchase and Export of Cereals," a department which is directly responsible to the Council of Ministers. It is financed chiefly by the (State) Agricultural and Co-operative Bank and the funds employed amount roughly to 1,400 million leva.

WHEAT PRODUCTION AND CONSUMPTION

In 1929-30, before the scheme of assisting wheat and rye growers came into being, the area placed under wheat in Bulgaria was 1,216,370 hectares (3,005,650 acres). In 1937-38, as the result of the fixing of prices above world parity, the area had increased by nearly 15 per cent to 1,395,892 hectares (3,449,249 acres). Moreover, thanks to improved methods of tillage and of husbandry in general, an appreciable rise in the yield per hectare has taken place. From an average of 1,032 kilograms for the five years 1924-29, the yield per hectare rose to 1,155 kilograms for the period 1929-34, while for the last four years it has been in the neighbourhood of 1,500 kilograms. Accompanying these production advances, since 1930 there has also been an increase of up to 10 per cent in the consumption of wheat by the urban and other non-agricultural population of Bulgaria. Possibly the consumption of wheat in the rural districts also has increased.

In 1936-37, wheat, almost exclusively winter-sown, occupied about 48 per cent of the total area under cereals, and rye about 7.5 per cent. The total value of cereal production during that season was 9,958 million leva, and wheat with a value of 5,564 million leva represented about 56 per cent. Of the area under all crops, amounting to 4,159,000 hectares, wheat and rye combined occupied close to 37 per cent. About two-thirds of the total production of wheat and rye is in the Danube basin, which comes under the influence of mid-European climatic conditions. It is estimated that up to 1929 about 15 per cent of the money income of farmers was derived from wheat and that during recent years the proportion has risen to 20 per cent.

The production of wheat and rye during the 1930-34 period averaged a little over 1,400,000 tons. The average for the succeeding years will probably be somewhat higher. Roughly, half of the production is consumed by the rural population, and the remaining half comes within the jurisdiction of the Direction for supplying the needs of the non-producing population, including town dwellers. The Direction's wheat purchases in 1938 amounted to about 620,000 tons.

EXPORTS

In 1937, when 194,000 tons of wheat were shipped, the principal buying countries were the United Kingdom, Germany and Italy.

WHEAT TRADE MONOPOLY

As already mentioned, there is a state monopoly of trade in wheat and rye. It is estimated that 368,703 farms, or 46 per cent of all farms, have wheat to sell. Their production is purchased by the "Direction for the Purchase and Export of Cereals" through its buying agents, 64 per cent of which are co-operative societies. The prices fixed for the 1939 crops are as follows:—

	Basis Hectolitre Weight Kilos	Basic Price Leva
Ordinary wheat (winter-grown)	76	3.50
Hard wheat (used for making macaroni, etc.)	77	3.80
Soft wheat (used mostly in connection with religious observances)	76	3.50
Rye	71	3.00

Compared with the fixed prices for 1938, those for wheat in 1939 are about 3 per cent higher. The prices shown above are for delivery at the depot of the Direction's buying agent and are subject to the grain being dry, sound, odourless, cool, winnowed, and free of impurities. Prices are adjustable according to place of delivery and to variation in the specific weight and admixture of foreign matter. It is said that the cost of administering the monopoly adds about 0.45 leva per kilo to the cost of purchases. Efforts are to be made to reduce as far as possible the cost of middlemen's services.

The Direction at the end of August was disposing of its purchases to millers and others for local consumption at prices based on 4 leva per kilogram for ordinary wheat, 4.50 leva for hard, 5 leva for soft wheat, and 3.50 leva per kilo for rye, the actual price charged varying according to a fixed standard of quality.

DOMESTIC FLOUR MILLING

It is estimated that there are 8,688—mostly small—flour mills in Bulgaria, classified as follows: 852 modern mills; 1,604 stone mills; and 6,232 primitive mills. The last-mentioned cater more particularly for the requirements of the rural community in their vicinity. The yearly capacity of Bulgarian mills

is placed roughly at 9,770,353 tons of flour and by-products, and the mills are only working at about 25 per cent of capacity.

Except at Bourgas, there are no large flour mills at the Black Sea or Danube ports. All mills are privately owned.

Flour exports are negligible. On the other hand, no flour is imported into Bulgaria.

DOMESTIC BAKING AND ALLIED TRADES

There are no large bakeries anywhere in the country. For the greater part, bread for the urban population is baked in wood-heated ovens. Bread is the staple food of the population. White bread is consumed in the towns, while the rural community eats bread made from a blending of wheat and maize flour or from maize flour alone. There is a food paste industry of comparatively small importance.

WHEAT AND FLOUR PRODUCTION AND TRADE IN GREECE

HENRI TURCOT, CANADIAN TRADE COMMISSIONER

(116 drachmae equal approximately \$1 Canadian)

Cairo, December 2, 1939.—Greece's efforts to attain a level of self-sufficiency as regards wheat continue steadily. These efforts seek to increase gradually the areas devoted to wheat production, to bring about intensive cultivation by improved methods, and to improve the quality of the seed. In spite of these efforts Greece is still dependent upon foreign supplies for a substantial share of her requirements and will likely remain so for many years. On the other hand, due to high protective duties and restrictions of various kinds, imports of flour into Greece have become unimportant.

WHEAT PRODUCTION

The chief wheat-growing districts in Greece are Macedonia, Thessaly, and Thrace. Wheat cultivation in the rest of the country is general, but is conducted on a much smaller scale owing to the mountainous and rocky nature of the soil. In 1936 the area sown to cereals, according to official estimates, was 15,596,335 stremmas (one stremma is equal to 0.2471 acre, or one acre is approximately equal to four stremmas). The area under wheat stood at 8,347,000 stremmas in 1936 and at 8,566,000 stremmas in 1937; it was somewhat larger in 1938 and 1939. The average of the area under wheat cultivation was 5,630,000 stremmas during the period 1928-32, and 8,044,000 stremmas in the period 1933-37.

The principal types of wheat grown in Greece are Cyprus hard and Montana soft, some quantities of Camberra and rust-proof seed being also imported for experimental purposes. The average yield per stremma during the years 1933-37 amounted to 89 kilograms and the yield for 1938 is estimated at 114 kilograms. The average annual production of wheat during the period 1928-32 stood at 340,300 tons as compared with 712,000 tons in the five years 1933-37. Greece's wheat crop for 1938 is assessed at 983,000 tons, while the 1939 harvest is expected to attain 960,000 tons.

Annual consumption per head of population is given as about 157 kilograms, showing an increase of 14 kilograms in the last thirteen years. This increase is attributed mainly to the fact that the population of various districts, who formerly consumed quantities of maize and barley, are now consuming wheaten bread. The ratio of imports to domestic production in the periods 1928-32, 1933-37, and during 1938, respectively, was 45.7, 26.5, and 32.5 per cent. The imports of wheat into Greece represented a proportion of 15.4

per cent of the value of total imports in 1938 as compared with 19·1 per cent in 1937.

As regards domestic wheat, the Greek Government, through the Central Committee for the Protection of Domestic Wheat Production (K.E.P.E.S.), purchases from the growers all supplies of wheat in excess of their requirements for consumption and seed. The price paid to the growers is somewhat higher than the c.i.f. price for imported wheat. Thus, in 1937 the average price paid to the growers by the K.E.P.E.S. was 6·62 drachmae per kilogram, while the average price of imported wheat was 5·30 drachmae per kilogram. The price fixed for 1939 is 8·70 drachmae per kilogram.

IMPORTS OF WHEAT

Imports of wheat into Greece during 1938 and 1937 by supplying countries were as follows:—

	1938 M. Tons	1937 M. Tons
Total*	474,572	505,810
Argentina	11,814	204,878
Australia	146,121	568
Bulgaria	2,801	169
Yugoslavia	2	49,261
Soviet Russia	60,006	7,449
United States	71,329	501
Canada	69,134	25,454
Hungary	1,354	51,216
Roumania	103,613	165,807
Turkey	7,498	346
Other countries	830	161

Since the domestic product is of inferior quality and rather poor in protein content, imported wheat is used entirely for blending purposes, the mixing being made in proportions established from time to time by the Tariff Commission.

The countries from which supplies of wheat are drawn by Greece are determined to a large extent by the factor of price. It is reported that, as a result of favourable prices for Canadian wheat, Greek purchases of the Dominion's product have been increased in 1939 as compared with the previous two years.

The importation of wheat into Greece (Schedule "D") is subject to a special permit, which is issued by the Ministry of National Economy on application from the Union of Greek millers in collaboration with the Ministry of Market Control.

Dealings in foreign exchange are restricted in Greece, but arrangements are possible whereby letters of credit may be opened in the case of wheat.

The larger part of the foreign wheat shipped to Greece is sold through agents specializing in this trade. A pool consisting of a certain number of flour millers with buying agents abroad also receives cargoes which are divided among its members, while some individual millers effect their business direct with exporters abroad. Imports of wheat are generally in the form of large shipments by chartered vessels or tramp steamers. The importation and storage of wheat is facilitated by wheat silos or elevators at Piraeus.

DUTIES ON WHEAT

Wheat imported into Greece is subject, under tariff item No. 7a, to maximum and minimum rates of duty. The maximum rate is 7·5 metallic drachmae per 100 kilograms (220 pounds) plus 75 per cent of duty; the minimum rate is 6 metallic drachmae per 100 kilograms plus 75 per cent of duty. The rate of conversion of metallic drachmae into paper drachmae is 15 in the case of wheat. In addition, an import surtax of 1½ per cent is levied on wheat.

By virtue of a decree effective November 28, 1931, the maximum rates of duty applying to goods imported into Greece from non-treaty countries, including Canada, were increased tenfold, while the minimum rates extended in certain cases to those countries were abolished and the tenfold maximum rates applied.

At the present time the tenfold maximum tariff applies to Canada, except where modifications have been made. One of the modifications was a decree dated July 1, 1933, which extended the advantage of the minimum tariff to Canadian wheat, provided that Canada purchased Greek goods to the value of at least 30 per cent of the value of the wheat exported. Another was a decree under date June 19, 1934, providing that the simple maximum duty would be extended to merchandise subject to the tenfold maximum duty, on condition that such merchandise was imported into Greece in exchange for an equivalent value in merchandise of Greek production exported to the country of origin of the imported goods, subject always to the issue of a special permit by the Bank of Greece. A further decree, under date October 14, 1937, stipulated that the simple maximum duty also applied to goods from non-treaty countries, when payment of the value thereof, wholly or in part, was effected after approval in each case by the Exchange Control Committee, through a bank clearing arrangement operating with another country and showing a stable active balance in favour of Greece. Again, special decrees have been issued from time to time granting authority for the importation into Greece of specified quantities of certain goods from non-treaty countries at the minimum or conventional rate of duty. This is particularly the case for wheat, large quantities of which at intervals are allowed entry at the minimum rate of duty (no conventional rate under this item).

It follows from the above that, in principle, Canadian goods imported into Greece are subject to the tenfold maximum tariff. The simple maximum tariff, however, is applied if the merchandise is in exchange for Greek products of an equal value, or if it is paid for, wholly or in part, through the bank-clearing of a country showing a stable, active balance in favour of Greece; each transaction being subject to a special permit issued by the Bank of Greece in the first case, and to approval by the Exchange Control Committee in the second. Again, Canadian wheat may be allowed entry under the minimum tariff against the purchase of Greek products valued at 30 per cent of the value of such shipments. Finally, Canadian wheat, or other commodities, may be admitted by special decrees into Greece in specified quantities under the minimum tariff.

In practice, the minimum rate of duty is applied to all wheat imported into Greece, including that of Canada; the Government's custom being to issue decrees permitting importation at the minimum rate in the case of the Dominion and other countries having no commercial agreement with Greece, when it is found expedient to effect purchases in those countries. A decree of June 7, 1939, extended the minimum tariff as regards wheat imported from non-treaty countries, including Canada.

DOMESTIC FLOUR MILLING

The total number of flour mills in Greece is about 150. Of these some 22 are in the Athens and Piraeus districts, including some of the most important in the country. There are also important mills at Salonica, Patras, Mitylene, Volo and Calamata. The more important mills are located at seaports rather than in the districts of production. Small mills are scattered throughout the country, but many of these are either water-driven or employ small mechanical motive power. The estimated production of Greek flour mills in 1937 and 1936, respectively, was 881,875 tons of flour and 155,625 tons of bran, and 1,017,450 tons of flour and 179,550 tons of bran.

All flour mills are operated under private ownership, some of the more important being limited liability companies. Silos exist at the port of Piraeus and are operated by the harbour authorities.

DOMESTIC BAKING AND ALLIED TRADES

There is a number of modern bakeries in Athens, employing electric or oil-fired ovens. The majority of those in the provincial towns are old-fashioned wood-fired bakeries, where dough is kneaded by hand. Fancy bread is produced in comparatively small quantities in the capital and the larger towns. The principal qualities of bread are plain white wheaten bread and brown whole-meal wheaten bread. The latter quality is produced almost exclusively in the provincial districts. It is also produced to a large extent in the capital and more important towns where it is consumed by the poorer people since it is somewhat cheaper than white bread. Ordinary white bread retails at 10 drachmae per ocque (2·8 pounds) and brown bread at 8·40 drachmae per ocque. Fancy breads are proportionately dearer.

Maize is used for bread-making in certain of the mountain districts, chiefly in Epirus, but the consumption is falling off each year as communications improve. Other cereals are not used for bread-making in normal times.

The production of macaroni and food pastes is an important industry in Greece. The quantities produced amounted to 17,800 tons in 1936 and to 19,450 tons in 1937.

WHEAT FLOUR IMPORTS

Owing to disproportionately high rates of duty on flour in comparison with those on wheat and to the rigidity of the regulations with respect to content and mixing, the importation of flour into Greece is insignificant. Imports amounted to 1,299 and 812 tons, respectively, in 1938 and 1937, these quantities originating almost entirely in the United States. Since there is no commercial agreement between Canada and Greece, Canadian flour is dutiable under the maximum rate of duty multiplied by ten, in accordance with the Greek decree of November 28, 1931, already cited. Flour from the United States, on the other hand, is dutiable under the minimum rate.

DUTIES ON FLOUR

The maximum rate of duty on flour imported into Greece, under tariff item No. 8a, is 11 metallic drachmae per 100 kilograms (220 pounds), and the minimum rate 10·7 metallic drachmae per 100 kilograms, plus 75 per cent of the duty in both cases, the rate of conversion of metallic drachmae into paper drachmae being 20 in the case of flour.

FLOUR IMPORT REGULATIONS

The importation of flour (Schedule "D") is subject to the issue of a special permit by the Ministry of National Economy, and importers are obliged to purchase a certain percentage of Greek wheat, ostensibly for admixture with the imported flour. Since most of the flour importers are not millers, however, they are allowed the alternative of paying a premium on the imported flour. This premium, collected on behalf of the Greek wheat concentration fund, was fixed at 1·35 drachmae per kilogram in 1938.

In addition, to be admitted into the country, flour must be neither sour nor rancid, of an odour characteristic of good quality flour, positively unbleached, not self-rising, and free from adulteration of any kind, more especially from chemicals such as persulphates, sulphate of ammonia, phosphate of calcium,

and other products of a similar nature. Moreover, there are specified limits of ingredients for each quality of flour as follows:—

Quality of Flour	Water Maximum Per Cent	Gluten Minimum Per Cent	Sulphuric Acidity Per Cent	Ash Maximum Per Cent	Bran Maximum Per Cent	Fatty Substances Maximum Per Cent
A	13	26	0.07	0.6	0	1.10
B	13	28	0.15	1.4	2	2.75
Pure	13	28	0.10	1.0	1	1.40
Clears.	13.5	26	0.15	1.6	13	1.70
Semolina	13	28	0.07	0.8	0	1.10

The percentage of water may be increased by 0.5 from September 15 to June 15. The gluten must present the vegetable peculiarities of gluten of good quality flour. A tolerance of 10 per cent is admitted in the acidity of flour from June 15 to September 15. When the percentage of ash exceeds the limit fixed in the above table, flour in which that excess has been traced may be permitted entry only by decision of the Council of Chemical Services. The fatty substances are examined only in case of doubt as to quality. The responsibility of importers as to quality of flour extends to sixty days from the date it has been released from the customs warehouse. All kinds of wheat may be utilized, but flour must conform to the above regulations. When other cereals and pulse are milled, the word "flour" must be qualified accordingly.

OUTLOOK FOR CANADIAN WHEAT AND FLOUR

As has been stated above, Greece presents an important outlet for imported wheat, and imports from Canada, which are usually fairly considerable, depend largely on the factor of price. On the other hand, imports of flour into Greece are almost negligible, and, for the reasons advanced in this report, it is believed that very little, if any, Canadian flour could be sold in that market.

WHEAT AND FLOUR PRODUCTION OF TURKEY

HENRI TURCOT, CANADIAN TRADE COMMISSIONER

Cairo, December 2, 1939.—Wheat is produced throughout Turkey, but more particularly on the high table-land forming the centre of Anatolia (Asiatic Turkey). No reliable figures are available regarding the area under cultivation. Owing to the encouragement given to farmers by the Turkish Government, a larger area has been sown to wheat in 1939 than in any previous year. A lack of rain in the growing season, however, has reduced the yield per acre, but it is reported that this shortage has been more than made up from the extra area under cultivation. The 1939 crop is estimated at 4,265,000 tons as compared with 4,000,000 tons in 1938, when exports reached approximately 200,000 tons. No wheat is imported into Turkey.

Wheat-growing in Turkey has been considerably encouraged by the Government since 1932, the intervention of the Government taking the form of purchases, through the Agricultural Bank of Turkey, of farmers' surplus production of wheat at a figure well in excess of usual export prices—from 30 to 40 per cent in 1938; of the issue of special seed to farmers with a view to improving the yield and types of wheat grown; and of the erection of silos (or elevators) throughout the country for the storage and preservation of wheat.

FLOUR MILLING

There are several modern flour mills in the principal centres of Turkey, such as Istanbul, Izmir, Mersin, etc., but the greater part of locally consumed flour is milled under primitive conditions by small water-power mills scattered

throughout the country. There is no flour imported into Turkey, and exports of this commodity, if any, are negligible.

BAKERIES AND ALLIED TRADES

Bakeries and allied trades in Turkey are mostly conducted under rather primitive conditions. However, the Turkish Government have planned to construct several modern bakeries in the large centres; these are to be in operation towards the end of 1940. In certain areas the population lives mainly on maize as opposed to wheat and bread.

SUPPLEMENTAL TRADE AGREEMENT BETWEEN CANADA AND THE UNITED STATES

D. S. COLE, CANADIAN TRADE COMMISSIONER

New York, January 4, 1940.—A supplementary trade agreement between Canada and the United States, amending the provisions of the trade agreement of November 17, 1938, was signed at Washington on December 30, 1939. This agreement relates solely to the treatment of silver or black foxes, silver or black fox furs and skins, and related articles imported into the United States.

The new agreement, effective January 1, 1940, limits the imports into the United States of silver or black foxes, furs, etc., to 100,000 units in any twelve-months period beginning December 1, 1940; for the period from January 1 to November 30, 1940, the limit is set at 100,000 units less the number imported during the month of December, 1939.

The agreement allocates these import quotas between Canada and all other foreign countries on the basis of imports into the United States during the first eleven months of 1939. The amount allocated to Canada is 58,300 units and to all other foreign countries 41,700 units, beginning December 1, 1940. For the period of January 1 to November 30, 1940, the shares allocated to Canada and all other foreign countries, respectively, are these same amounts less the number imported from Canada or from all other foreign countries, as the case may be, during the month of December, 1939.

The agreement further limits imports during any single month to 25 per cent of the number permitted to enter during the quota period, and the import duty on silver or black fox furs and skins is reduced from 37½ per cent to 35 per cent ad valorem.

A unit shall be a whole silver or black fox fur or skin, or any separated part thereof, or any article made wholly or in chief value of one of the foregoing, or a silver or black fox. Any article made wholly or in chief value of two or more of the aforesaid furs, skins, or parts thereof shall be considered as consisting of the total number of such units in such article.

Under the new agreement the following are not to be subject to or affect any quota limitations provided for:—

(a) Articles of wearing apparel imported by returning residents or other persons arriving in the United States for their personal use and not intended for sale;

(b) Articles admitted to entry under Paragraph 1615 of the United States Tariff Act of 1930, as amended. Paragraph 1615 refers to articles the growth, produce, or manufacture of the United States returned after having been exported without having been advanced in value or improved in condition by any process of manufacture or other means if imported by or for the account of the person who exported them from the United States.

TARIFF CHANGES AND TRADE REGULATIONS

United Kingdom

IMPORT LICENSING REGULATIONS

TIMBER

With reference to the notice in *Commercial Intelligence Journal* No. 1874 (December 30, 1939), page 1249, Mr. Frederic Hudd, Chief Canadian Trade Commissioner in the United Kingdom, reports that the classes of wood and timber which may not be imported into the United Kingdom except under licence issued by the Import Licensing Department of the Board of Trade are:—

- I.—Wood and timber hewn, sawn, planed, dressed, tongued, grooved, beaded, v-jointed, rebated, chamfered, centre beaded, centre v-jointed, round edged, or similarly prepared (other than roundwood logs of pine, spruce and aspen in the natural state or free from bark or bast, not hewn or sawn except cross-cut at the ends, in lengths not exceeding 50 inches, the top diameter not being more than 12 inches).
- II.—Pitwood, pitprops and mining timber of all descriptions.
- III.—Builders' woodwork.
- IV.—Boxboards, whether in sets or not, and staves.
- V.—Boxes, barrels, casks and packing cases, and parts thereof, other than such articles in use at the time of importation as carriers of goods.
- VI.—Plywood, laminboard, blockboard and batten board.
- VII.—Veneers.
- VIII.—*Furniture and parts thereof.
- IX.—*Beatings and mouldings.
- X.—Trunk and suitcase hoops, being battens of wood, bent to shape, whether rounded or otherwise shaped at the ends or not.
- XI.—*Articles of a kind used for domestic purposes.
- XII.—*Wooden heels.

These licensing regulations, defined as Import of Goods (Prohibition) (No. 12) Order 1939, were issued by the Board of Trade at the request of the Ministry of Supply and are effective from January 1, 1940.

Certain of the categories of goods in the list were prohibited from importation except under licence by the Import Prohibition (No. 1) Order of September 3, 1939.

The procedure to be followed by importers varies according to the group in which they are interested. For Items I to VII, licences will be issued by the Import Licensing Department of the Board of Trade on the recommendation of the Timber Control, Ministry of Supply. Applications for import licences must be submitted in duplicate to the Timber Control Department (Branch 8), Ministry of Supply, Elmdale Road, Bristol, 8. After examination of these applications, the Timber Controller will pass them to the Import Licensing Department (Section 9) which, in approved cases, will issue and send the licence direct to the applicant. Importers should submit their applications to the Timber Controller before arranging shipment. They are further advised that, in order to expedite the issue of licences, a separate application should be made not only for each class of goods but in respect of each proposed purchase or transaction.

Except in the case of contracts placed before September 16, 1939, the issue of licences in respect of boxboards (whether wired or not), other than plywood boxboards, will not, until further notice, be entertained. Importa-

* Until further notice no licences will be issued for categories of goods against which there is an asterisk.

tions are being conducted centrally by arrangement with the Timber Control. The existing open general licence for boxboards is withdrawn as from January 1, 1940 (see *Commercial Intelligence Journal* No. 1869 (November 25, 1939), page 997).

As to Items VIII to XII, until further notice licences will be issued only for Item X. Applications must be submitted not to the Timber Controller, but to the Import Licensing Department (Section 4) Board of Trade, 25 Southampton Buildings, Chancery Lane, London, W.C. 2.

ANIMAL FATS, OILS AND GREASES

The Chief Canadian Trade Commissioner in London writes that at the request of the Ministry of Food the Board of Trade have issued an Order—the Import of Goods (Prohibition) (No. 11) Order, 1939—adding oils, fats and greases derived wholly from animals (other than marine animals), except butter, lard and foot oils, to the list of commodities the importation of which is prohibited except under licence.

The purpose of the order is not to restrict supplies of fats but to enable the Ministry of Food to secure a proper control of the commodities in order to keep prices steady and to ensure the best use of the quantities of fats and oils which may be imported. The Ministry are providing for centralized purchasing of the commodities in question with the assistance of the existing importing concerns.

The order will come into force on December 27, 1939, but any goods covered by the order which are proved to the satisfaction of the Customs authorities to have been despatched to the United Kingdom before the order came into effect will not require a licence.

Australia

IMPORT LICENSING SYSTEM

Information on the Australian import licensing system which appeared in *Commercial Intelligence Journal* No. 1871 (December 9, 1939) and subsequent issues, is amplified in the following extracts taken from an Explanatory Memorandum issued on December 1, 1939, by G. F. A. Mitchell, Collector of Customs, New South Wales, for the guidance of Australian importers.

1. The Customs (Import Licensing) Regulations are, in part, complementary to the National Security (Monetary Control) Regulations already in force, relating to transactions in overseas exchange. The administrative arrangements have, however, been developed to combine a system of import licences carrying several degrees of priority in the matter of shipping space and supply and to serve a number of other purposes. They aim in particular at the conservation of available resources of non-sterling exchange and utilization of those resources to the best advantage.

5. The effect of the Regulations when read in conjunction with the exceptions therefrom is to make the import of goods from all "non-sterling" countries (including Canada, Newfoundland and Hongkong) subject to licence.

6. Subject to the reservations mentioned in this memorandum and any other reservations that may be announced from time to time and such provision as it is necessary to make for the importation of vitally necessary imports unobtainable from "sterling" countries, licences for the importation of goods the produce or manufacture of "non-sterling" countries will not be obtainable except as indicated in paragraphs 31 to 36.

7. In so far as the grant of the licences in accordance with the general principles laid down in those paragraphs affects essential goods not obtainable from "sterling" countries, it should be understood that limits are named at the beginning of a licensing period largely for reasons of administrative convenience. The aim of the limits is to place Licensing Officers at the Customs Houses throughout Australia in a position to deal uniformly and

promptly with as many applications as possible, at reducing the number of applications that require to be referred to the Central Licensing control at the Department of Trade and Customs, Canberra, and at obviating the delays inseparable from the latter action.

8. Although consideration will be given to those cases in which the general rules laid down initially are inappropriate, applicants will greatly facilitate the administration of the licensing measures and the consideration of their respective applications, if they follow the practice of framing applications pertaining to their immediate requirements in accordance with the approved limits, wherever reasonably practicable.

9. Applications involving departures from the presently approved limits should be made to the Collector or Sub-Collector of Customs sufficiently in advance to allow time for reference of the application to Canberra.

10. The desire of administration to secure an equitable distribution of available licences necessitates a degree of rigidity in administration at certain stages, especially at the beginning of a licensing period. At the same time it will be the general aim to administer the licensing measures with sufficient flexibility progressively to adapt the procedure to meet variations in demand as between different commodities or types of goods and the fluctuations in the import requirements and to provide for those vitally important commodities which are unobtainable from "sterling" countries.

12. The individual applications for licences must be related to orders actually placed overseas or to orders to be placed immediately. They must also be related to the overseas exchange transaction under which it is proposed to finance the overseas payment of the goods included in the application.

13. Presentation of an import licence to the bank named in the application (being a bank acting as an agent of the Commonwealth Bank) is necessary before overseas exchange will be provided in payment for the goods.

14. Where overseas exchange is required in respect of goods from non-sterling countries in transit or excepted from the Customs (Import Licensing) Regulations for other reasons, it will be necessary to obtain a Certificate of Exemption from the Customs Department for presentation to the bank concerned. Certificates may be obtained on application at the Customs House.

15. Intention to import forthwith is an essential condition to the grant of a licence.

16. Separate applications within the approved limits should be made from time to time throughout a licensing period as and when it is decided to place a firm order for the exportation of the particular goods to Australia.

17. The various classes of licence issued in respect of different goods are intended to confer different degrees of priority in the matter of shipping space and supply.

18. In order to facilitate the issue of licences in accordance with the system of priorities, all goods entering into trade have been classified into four categories according to the degree of importance attached to different goods from the point of view of various national requirements. The categories are: A—very important; B—important; C—less important; D—unimportant.

19. A schedule showing the category or categories in which goods are respectively graded and listed is obtainable at all Customs Houses.

21. In the case of some of the listings in the schedule, the import demand for the goods falling within the classification of a particular item is allocated in varying proportions to two or more categories. In these cases the apportionments to the various categories are expressed as a percentage of the basic volume of imports of all the goods included in the relevant item, sub-item or sub-division. The basic volume of imports is a basic variable amount depending on the basis upon which licences are granted during any licensing period, in terms of a percentage of the imports in some previous period.

22. Where apportionments to two or more categories are shown opposite the tariff item (part thereof) or additional specification, it may be taken as evidence that the same degree of importance is not attached to the importation of all the various articles covered by the item or to the whole import demand for the particular commodity or class of goods and that a sub-division of the item may be undertaken at a later stage. For the time being, however, each item or specification is also given a specific classification.

24. The published schedule has been compiled with a view to providing a basis for immediate application. It is not regarded as a perfect or final classification. Applications for variation of the category classification will receive consideration where a strong case for variation is established, but only those requests which are supported by a full statement of claim and definite evidence in substantiation of the claim can be considered.

25. For the time being, applicants for licences should base their applications on the published classifications, except where they may relate to goods urgently required for war purposes or in connection with the production of war supplies.

29. In lodging applications for licences, the following requirements will need to be observed:—(1) Goods listed in different categories may not be included in the same application form; (2) The application shall be confined to goods actually ordered or to be ordered forthwith—they should be made as and when the applicant decides to order the quantities specified therein; (3) The application must be made on the approved form in sextuplicate (6 copies) to the Collector of Customs at the port at which it is intended to import the goods—goods which it is intended to land at different ports should not be included in the same application; (4) Goods the produce or manufacture of different countries shall not be included in the same form; (5) Any licence issued in respect of the application must be presented to the bank or other agency in Australia through which overseas payment for the imports is to be arranged before overseas exchange will be provided—goods for which payment will be arranged through different banks must not be included in the same application; (6) As far as practicable, applicants should avoid including in the same applications goods for which payment will be arranged under different banking transactions; (7) A licensee should, as soon as possible after the issue of a licence, make his overseas financial arrangements with the Australian bank through which payment is to be arranged.

30. On the receipt of a licence the licensee should normally send his duplicate to the overseas supplier or his agent in the country of supply in order that it may be used in that country to indicate to any authorities concerned the degree of priority which the Australian Government desires to be accorded to the particular goods.

31. The first licensing period is a period of two months ending on January 31, 1940.

32. Licences in respect of goods listed wholly in Category D will not be granted, except where limited exemptions affecting goods in transit and on order have been approved.

33. The current instructions to licensing officers at the various ports, relating to the issue of licences during the period ending January 31, 1940, empower Licensing Officers to issue licences upon application (in respect of goods listed in Categories A, B and C) provided the value of the goods included in the applications received during that period does not exceed one-sixth of the value of the applicant's importations of the same goods from non-sterling countries during the year ended June 30, 1939. This general principle will not for the time being apply in the case of goods subject to restriction under laws in force prior to promulgation of the Customs (Import Licensing) Regulations or in the case of a limited range of goods. Details of such cases will be notified.

34. In interpreting the preceding paragraph in connection with the immediate issue of licences, goods will be regarded as listed in Categories A, B and C when the letter A, B or C appears opposite the relevant item in the "Schedule of Categories," even if the letter appears in the right-hand column of the schedule.

35. Importers will be required (except where special considerations apply and departures from general principles are specifically approved) to conform with the general principles wherever reasonably practicable. Departures which may be approved in respect of urgent essential goods will, however, be dependent on the specific approval of the Central Licensing Authority.

36. Importation from the same "non-sterling" country as in the year ended June 30, 1939, is not an essential condition, except as may be specifically required. In general, applications involving changes in origin from one "non-sterling" country to another within the limits of the total permissible imports of the particular goods from "non-sterling" countries, will be received.

37. Licences will be issued in terms which require the goods covered by the licence to be imported within a specified time.

38. Except in the case of imports of an exceptional character, the following limitations shall apply to the period of validity of a licence:—(a) European countries—8 months from date of issue of a licence; (b) other countries—6 months from date of issue of a licence.

39. If firm directions for the exportation of the goods to Australia are not despatched to the overseas supplier within one month of the date of issue of the licence or if such firm directions are countermanded, or if all the goods covered by a licence are not imported within the time specified in the licence, the licensee is required by the provisions of the regulations to notify the Collector of Customs in writing.

40. It is necessary to surrender a licence as soon as it is exhausted or in cases where a proposed import transaction is not proceeded with.

41. The transfer of licences will not be permitted.

42. The licences granted to individual importers in respect of particular commodities or classes of goods will, in general, be based on their importations from "non-sterling" countries of the same commodities or classes of goods during the year ended June 30, 1939.

43. Importers are advised to take prompt action to furnish proof to the satisfaction of the Collector of Customs of their importations from non-sterling countries during that year under each tariff item (part thereof) or separate additional specification in the Schedule of Categories. Returns relating to imports of goods listed wholly in Category D are not required.

44. The statement of proof must be submitted in accordance with the approved *pro forma*, and must be accompanied by a declaration as to its correctness.

45. In cases of urgency, where it is more convenient for an applicant to prove importation of particular articles than to prove importation of all the articles included within a tariff item, part thereof, or separate additional specification, that course may be followed pending submission of evidence in proof of importations under the item as a whole.

GOODS ORIGINATING IN NON-STERLING COUNTRIES IMPORTED FROM UNITED KINGDOM

The Australian Customs Representative in New York has received cabled information from the Australian Comptroller-General of Customs to the effect that goods originating in non-sterling countries and processed in the United Kingdom to the extent of qualifying for preference are not subject to import licence.

It is explained with reference to the Customs (Import Licensing) Regulations adopted on December 1 that they provide for prohibition of the importation of any goods unless licence to import is in force or unless the goods are excepted from application of the regulations. The Minister of Customs excepted goods originating in sterling countries, e.g., the United Kingdom; but Canada is not a sterling country. For example, raw Canadian fox furs bought in London and shipped therefrom are subject to licence.

IMPORT LICENSING OF ABRASIVE PAPERS AND PIECE-GOODS

Mr. L. M. Cosgrave, Canadian Trade Commissioner in Sydney, cabled on January 4 that Australian importers can secure licences for the current licensing period (December-January) for the importation from non-sterling countries of abrasive papers and cloths included in category A of the import licensing schedule on the basis of imports from the United Kingdom during the financial year (ended June 30, 1939). It is presumed that, as in the case of other licensed goods, licences for the current period would be limited to one-sixth of the amount of imports for the full basic year. All abrasive papers and cloths except glass paper and flint paper are included in category A for licensing purposes.

Reference was made in *Commercial Intelligence Journal* No. 1874 (December 30, 1939), page 1250, to the time limit for delivery of certain piece-goods on order. The Trade Commissioner cables that orders for cotton and artificial silk piece-goods in categories A, B, and C, accepted before December 1, 1939, and for which delivery by April 30 is impossible, may be admitted up to and including September if shipped before July.

New Zealand

IMPORT LICENSING OF MOTOR VEHICLES FOR FIRST HALF OF 1940

When additional information regarding New Zealand import licensing regulations for the first half of 1940 was given in *Commercial Intelligence Journal* No. 1871 (December 9, 1939), pages 1111-1113, the position regarding imports

of motor vehicles was still under consideration by the New Zealand authorities. The Canadian Trade Commissioner in Auckland cabled on January 5 that importations of motor vehicles from Canada and other countries, excepting the United Kingdom, were prohibited entry into New Zealand during the first half of 1940. As regards the United Kingdom, importations of unassembled motor vehicles would be reduced 65 per cent from importations in the first half of 1938, and importations of completed vehicles reduced 75 per cent. Importations of spare parts for the first half of 1940 from all countries will be licensed up to the value imported in the first half of 1938.

For the last half of 1939 unassembled motor vehicles and spare parts imported from all countries were reduced 40 per cent of importation during the last half of 1938. Importations of completed motor vehicles from all countries were reduced 100 per cent from importations during the last half of 1938.

Jamaica

REGULATION OF TEXTILE IMPORTS

Mr. F. W. Fraser, Canadian Trade Commissioner at Kingston, writes under date December 21 as follows:—

Consonant with the war-time policy of controlling imports into Jamaica, the quota system applicable for some years past to purchases of textiles from foreign countries is about to be superseded by an arrangement whereby importers, instead of dealing with the Collector General of Customs, Excise and Internal Revenues, will be obliged to deal in future with the Competent Authority set up under law to regulate imports of a wide range of articles. It is understood that the purpose is to reduce imports of the goods in question from certain foreign countries and to divert Jamaica's purchases thereof to Great Britain and, in cases where supplies cannot therefrom be readily obtained, to Canada.

This change of procedure is indicated in a Government notice published in an extraordinary issue of the *Jamaica Gazette* of December 7, 1939, to the effect that all local merchants desiring to import cotton piece-goods and artificial silk from any country during the year to end on December 31, 1940, shall apply in writing to the Competent Authority, stating the class or classes and the quantities of such articles they wish to import, as well as the countries of origin. As the Competent Authority has discretion in the matter of allowing or forbidding such imports, the matter of quotas of imports from foreign countries, introduced by legislation passed on June 11, 1934 (see *Commercial Intelligence Journal* No. 1586 (June 23, 1934)) will not for the time being arise.

Grenada

IMPORT LICENCES

With reference to the announcement in *Commercial Intelligence Journal* No. 1871 (December 9, 1939), page 1114, concerning the licensing of imports into Grenada, the Competent Authority on November 18, 1939 issued a general import licence authorizing and permitting the importation into Grenada of any goods capable of being imported from the United Kingdom and British dependencies and Dominions other than Canada and Newfoundland.

British Honduras

IMPORT OF TEXTILES SUBJECT TO LICENCE

Mr. F. W. Fraser, Canadian Trade Commissioner at Kingston, Jamaica, writes that by a proclamation of the Governor, effective January 1, 1940, the importation, except under licence granted by the Colonial Secretary, of piece-goods of woven fabric, containing 50 per cent or more of cotton or of artificial silk, or cotton and artificial silk combined, from any country outside the British Empire is prohibited.

British Malaya

CURRENCY ON DOCUMENTS

Mr. J. L. Mutter, Canadian Trade Commissioner at Singapore, reports that the Controller of Foreign Exchange has issued a notification dated December 27, 1939, that imports can be paid for only in currency of country of origin or in sterling. Shippers consequently are advised to invoice and draw accordingly.

Straits Settlements

QUOTAS FOR MADE-UP TEXTILES

Mr. K. F. Noble, Assistant Trade Commissioner at Singapore, advises under date November 30, 1939, that the quota control of made-up textiles at present in operation in the Straits Settlements will be continued during 1940, the quotas allowed foreign countries remaining as in the previous year.

Maximum imports of outer garments of cotton and silk, underwear of cotton and artificial silk have been established specifically for China, Japan, Netherlands India and all other foreign countries.

The United States, as a foreign country n.o.p., is allowed imports totalling 39,586 dozens, made up of 1,464 dozens outer garments of cotton and artificial silk, 36,578 dozens underwear of cotton, and 1,556 dozens underwear of artificial silk.

Canadian exporters of these items should supply not only the customary declaration of Empire content but also certificate of origin in duplicate under the textile quota regulations of the Straits Settlements. Specimen copies of the supplementary certificates, known in the Straits Settlements as Form E, may be obtained on application to the Department of Trade and Commerce, Ottawa (referring to file No. 31886).

Tanganyika

IMPORT CONTROL

Writing under date December 4, Mr. J. C. Macgillivray, Canadian Trade Commissioner in Cape Town, advises that control of imports into the Territory of Tanganyika became effective on November 15, 1939. After that date all imports were prohibited except in accordance with a licence granted by the Imports Controller or his representative. Exceptions are provided in the case of transit merchandise; imports by parcel post, other than goods for trade or re-sale; and commercial travellers' samples.

TRADE OPPORTUNITIES ABROAD FOR CANADIAN PRODUCTS

The Trade Inquiries for Canadian products published below have been received since the publication of the last issue of the *Commercial Intelligence Journal*. Interested exporters may secure the names and addresses of the firms making these inquiries, together with further details regarding the commodities required, on application to the Director, Commercial Intelligence Branch, Department of Trade and Commerce, Ottawa, or—

Secretary, Board of Trade—

Saint John, N.B.
Halifax, N.S.
Quebec, P.Q.
Montreal, P.Q.
Toronto, Ont.
Chatham, Ont.

Guelph, Ont.
Kitchener, Ont.
Brantford, Ont.
Stratford, Ont.
Woodstock, Ont.
St. Mary's, Ont.

Portage la Prairie, Man.
St. Boniface, Man.
Winnipeg, Man.
Vancouver, B.C.
New Westminster, B.C.

Secretary, Chamber of Commerce—

Sherbrooke, P.Q.
Kingston, Ont.
Oshawa, Ont.
Belleville, Ont.

Peterborough, Ont.
London, Ont.
St. Catharines, Ont.
Hamilton, Ont.

Victoria, B.C.
Prince Rupert, B.C.

Windsor Chamber of Commerce, Windsor, Ont.

Commercial Intelligence Service, Department of Municipal Affairs, Trade and Commerce,
Quebec.

Department of Industry, Brantford, Ont.

Industrial Commissioner, Stratford, Ont.

La Chambre de Commerce de Montréal, 25 St. James E., Montreal, P.Q.

Secretary, Canadian Manufacturers Association—

Toronto, Ont.

Winnipeg, Man.

Vancouver, B.C.

Montreal, P.Q.

Edmonton, Alta.

Victoria, B.C.

Director, Bureau of Industrial and Trade Extension, Department of Trade and Industry,
Victoria, B.C.

Canadian exporters should, for follow-up purposes, transmit a copy of any reply sent in response to a Trade Inquiry to the Trade Commissioner in the territory from which the inquiry emanated.

Commodity	No.	Location of Inquirer	Purchase or Agency
Foodstuffs and Feedstuffs—			
Vegetables, Soups, Meats (Canned).....	13	East London, South Africa.	Agency.
Roasted Buckwheat Groats and Soaked Oat Groats.....	14	London, England.....	Purchase.
Miscellaneous—			
Ladies' Handbags and Leather Novelties.....	15	Cairo, Egypt.....	Agency.
Ladies' Handbags in Imitation or Cheap Leather.....	16	Cape Town, South Africa..	Agency.
Furs.....	17	Lisbon, Portugal.....	Purchase and Agency.
Citrus Fruit Wraps.....	18	Kingston, Jamaica.....	Purchase and Agency.
Kraft Paper for Gumming and Abrasive manufacture.....	19	Cienfuegos, Cuba.....	Purchase.
Printing Paper, Cardboard, Kraft, etc.....	20	Alexandria, Egypt.....	Purchase.
Paper.....	21	Aleppo, Syria.....	Purchase and Agency.
Paper.....	22	Tel-Aviv, Palestine.....	Purchase and Agency.
Paper.....	23	Cairo, Egypt.....	Agency.
Toilet Paper.....	24	Tel-Aviv, Palestine.....	Purchase and Agency.
Wrapping Paper.....	25	Tel-Aviv, Palestine.....	Purchase and Agency.
Newsprint, in Reams.....	26	Alexandria, Egypt.....	Purchase and Agency.
Printing, Writing and Envelope Paper.....	27	Tel-Aviv, Palestine.....	Purchase and Agency.
Paper and Cardboard.....	28	Cairo, Egypt.....	Purchase.
Cardboard.....	29	Aleppo, Syria.....	Purchase and Agency.
Wood-pulp.....	30	Santiago, Chile.....	Agency.
Roller Skates.....	31	London, England.....	Purchase.
Broom and Brush Stocks and Backs.....	32	London, England.....	Purchase.
Spikes for Running Shoes.....	33	Northampton, England...	Purchase.
Nails.....	34	Wicklow, Eire.....	Purchase.
Wire Netting for Screens, Fences, etc.....	35	Cairo, Egypt.....	Agency.
Plough Steel Crane Wire Ropes..	36	Glasgow, Scotland.....	Purchase.
Galvanized Corrugated Mild Steel Sheets.....	37	Glasgow, Scotland.....	Purchase.
Amber Mica.....	38	London, England.....	Purchase and Agency.
Carbon Black.....	39	London, England.....	Purchase and Agency.
Hardware (Builders, Etc.).....	40	Cairo, Egypt.....	Agency.

FOREIGN EXCHANGE QUOTATIONS: WEEK ENDING JAN. 8, 1940

The Foreign Exchange Division of the Bank of Canada has furnished the following statement of the nominal closing quotations for all the principal exchanges for the week ending Monday, January 8, 1940, and for the week ending Tuesday, January 2, 1940, with the official bank rate:—

Country	Unit	Present or Former Gold Parity	Nominal Quotations in Montreal Week ending Jan. 2	Nominal Quotations in Montreal Week ending Jan. 8	Official Bank Rate
Belgium	Belga	.1001	\$.1869	\$.1859	2½
Bulgaria	Lev	.0072	.....	.....	—
Denmark	Krone	.2680	.2142	.2142	5½
Finland	Markka	.0252	.0201	.0202	4
France	Franc	.0392	.0248	.0247	2
Great Britain	Pound	4.8666			
	Buying		4.4300	4.4300	2
	Selling		4.4700	4.4700	—
Greece	Drachma	.0130	.0080	.0079	6
Holland	Guilder	.4020	.5909	.5912	3
Hungary	Pengo	.1749	.2942	.2942	4
	Unofficial		.1954	.1954	—
Italy	Lira	.0526	.0560	.0560	4½
Yugoslavia	Dinar	.0176	.0251	.0251	5
Norway	Krone	.2680	.2521	.2520	4½
Portugal	Escudo	.0442	.0402	.0401	4-4½
Roumania	Leu	.0060	.0079	.0079	3½
Spain	Peseta	.1930	.1104	.1104	5
Sweden	Krona	.2680	.2643	.2642	2½
Switzerland	Franc	.1930	.2489	.2489	1½
United States	Dollar	1.0000			
	Buying		1.1000	1.1000	1
	Selling		1.1100	1.1100	—
Mexico	Peso	.4985	.1877	.1850	3
Cuba	Peso	1.0000	.....	.....	—
Guadeloupe	Franc	.0392	.0248	.0247	—
Jamaica	Pound	4.8666	4.4800	4.4800	—
Martinique	Franc	.0392	.0248	.0247	—
Other British West Indies	Dollar	1.0138	.9313	.9313	—
Argentina	Peso (Paper)	.4245	.3304	.3304	3½
	Free		.2503	.2491	—
Brazil	Milreis (Paper)	.1196	.0673	.0673	—
	Free		.0561	.0556	—
British Guiana	Dollar	1.0138	.9313	.9313	—
Chile	Peso	.1217	.0574	.0574	3-4½
	Export		.0444	.0444	—
Colombia	Peso	.9733	.6325	.6351	4
Peru	Sol	.2800	.....	.....	—
Venezuela	Bolivar	.1930	.....	.....	—
Uruguay	Peso	1.0342	.....	.....	—
	Controlled		.7307	.7307	—
	Uncontrolled		.3975	.4029	—
South Africa	Pound	4.8666	4.4600	4.4600	3½
Egypt	Pound (100 Piastres)	4.9431	4.5800	4.5800	—
China (Shanghai)	Dollar	.....	.0846	.0880	—
Hongkong	Dollar	.....	.2733	.2716	—
India	Rupce	.3650	.3363	.3363	3
Japan	Yen	.4985	.2602	.2602	3.29
Java	Guilder	.4020	.....	.....	—
Thailand (Siam)	Baht (Tical)	.4424	.4023	.4010	—
Straits Settlements	Dollar	.5678	.5148	.5123	—
Australia	Pound	4.8666	3.5800	3.5800	3
New Zealand	Pound	4.8666	3.5900	3.5900	4

The Dominion Bureau of Statistics has supplied the following note:—

Sterling free rates at New York dropped from \$3.95½ on December 30 to \$3.93 on January 4 following reports that further limitations would be placed by British authorities on capital transfers. Rates turned stronger in the second half of the week on increased demand from importers, subsequently rallying 2 cents to finish at \$3.95 on January 8. Canadian funds moved lower, to close at 87½ cents compared with 88½ cents on December 30. At Montreal, French francs, reflecting sterling weakness at New York, declined 2 points to close at 2.48 cents. Neutral European currencies were mixed, florins gained 6 points to finish at 59.12 cents, while belgas eased 4 points to 18.59 cents. Mexican pesos, quoted nominally, dropped a further ½ cent to 18.50 cents at the close. Daily quotations set by the Canadian Foreign Exchange Control Board for sterling and United States funds remained unaltered at \$4.43-\$4.47 and \$1.10-\$1.11, respectively.

COMMERCIAL INTELLIGENCE SERVICE

L. D. WILGRESS, *Director*

Argentina

J. A. STRONG, B. Mitre 430, Buenos Aires (1). (Territory includes Uruguay.) *Cable address, Canadian.*

Australia

Sydney: L. M. COSGRAVE. Address for letters—P.O. Box No. 3952V. Office—City Mutual Life Building, Hunter and Bligh Streets. (Territory includes the Australian Capital Territory, New South Wales, Queensland, Northern Territory and Dependencies.) *Cable address, Canadian.*

Melbourne: FREDERICK PALMER, 83 William Street, Melbourne, C.1. (Territory includes States of Victoria, South Australia, Western Australia, and Tasmania.) *Cable address, Canadian.*

Belgium and Luxemburg

YVES LAMONTAGNE, Commercial Attaché, Shell Building, 60 rue Ravenstein, Brussels. *Cable address, Canadian.*

Brazil

L. S. GLASS. Address for letters—Caixa Postal 2164, Rio de Janeiro. Office—Ed. Da. "A. Noite," Sala 802, Praca Maua. *Cable address, Canadian.*

British India

PAUL SYKES. Address for letters—P.O. Box 2003, Calcutta. Office—23 Esplanade Mansions, Government Place East, Calcutta. (Territory includes Burma and Ceylon.) *Cable address, Canadian.*

British Malaya

J. L. MUTTER, Union Building, Singapore, Straits Settlements. (Territory includes the Straits Settlements, the Federated Malay States, the Unfederated Malay States, Thailand, British Borneo, and Netherlands India.) *Cable address, Canadian.*

British West Indies

Trinidad: M. B. PALMER. Address for letters—P.O. Box 125, Port of Spain. Office—Barclay's Bank Building. (Territory includes Barbados, Windward and Leeward Islands, and British Guiana.) *Cable address, Canadian.*

Jamaica: F. W. FRASER, P.O. Box 225, Kingston. Office—Canadian Bank of Commerce Chambers. (Territory includes the Bahamas and British Honduras.) *Cable address, Canadian.*

China

V. E. DUCLOS. Address for letters—P.O. Box 264, Shanghai. Office—Ewo Building, 27 The Bund, Shanghai. (Territory includes Central China and North China.) *Cable address, Canadian.*

Cuba

C. S. BISSETT. Address for letters—Apartado 1945, Havana. Office—Royal Bank of Canada Building, Calle Aguiar 367, Havana. (Territory includes Haiti, the Dominican Republic, and Puerto Rico.) *Cable address, Canadian.*

Egypt

HENRI TURCOT. Address for letters—P.O. Box 1770, Cairo. Office—22 Shari Kasr el Nil, Cairo. (Territory includes the Sudan, Palestine, Cyprus, Iraq, Syria, Iran, Greece, Turkey, Bulgaria, and Roumania.) *Cable address, Canadian.*

France

HERCULE BARRÉ, Commercial Attaché, 3 rue Scribe, Paris (9). (Territory includes French Colonies in North Africa.) *Cable address, Cancomac.*

Hongkong

P. V. McLANE. Address for letters—P.O. Box 80, Hongkong. Office—Hongkong and Shanghai Bank Building, Hongkong. (Territory includes South China, the Philippines, and Indo-China.) *Cable address, Canadian.*

Ireland

JAMES CORMACK, 66 Upper O'Connell Street, Dublin, Ireland (*cable address, Canadian*); and 36 Victoria Square, Belfast, Northern Ireland.

Italy

A. B. MUDDIMAN, Via Manzoni Nr. 5, Milan (102). (Territory includes Spain, Portugal, Gibraltar, Malta, Albania, and Yugoslavia.) *Cable address, Canadian.*

CANADIAN GOVERNMENT TRADE COMMISSIONERS—*Con.*

Japan

C. M. CROFT, Commercial Secretary. Address for letters—P.O. Box 18, Akasaka Post Office, Tokyo. Office—Canadian Legation, 16 Omotecho, 3-chome, Akasakaku, Tokyo. *Cable address, Canadian.*

Mexico

R. T. YOUNG. Address for letters—Apartado Num. 126-Bis, Mexico City. Office—Edificio Banco de Londres y Mexico, Num. 30, Mexico City. (Territory includes Guatemala, Honduras, and Salvador.) *Cable address, Canadian.*

Netherlands

J. A. LANGLEY, Commercial Attaché, Coolsingel 111b, Rotterdam. (Territory includes Switzerland.) *Cable address, Canadian.*

New Zealand

W. F. BULL. Address for letters—P.O. Box 33, Auckland. Office—Yorkshire House, Shortland Street, Auckland. (Territory includes Fiji and Western Samoa.) *Cable address, Canadian.*

Norway

RICHARD GREW, Stortingsgaten 28, Oslo. (Territory includes Sweden, Denmark, and Finland.) *Cable address, Canadian.*

Panama

H. W. BRIGHTON. Address for letters—P.O. Box 222, Panama City. Office—98 Central Avenue, Panama City. (Territory includes the Canal Zone, Venezuela, Colombia, Nicaragua, and Costa Rica.) *Cable address, Canadian.*

Peru

M. J. VECHSLER. Address for letters—Casilla 1212, Lima. Office—Edificio Boza, Carabaya 831, Plaza San Martin, Lima. (Territory includes Bolivia, Ecuador, and Chile.) *Cable address, Canadian.*

South Africa

Cape Town: J. C. MACGILLIVRAY. Address for letters—P.O. Box 683. Office—New South African Mutual Buildings, 17 Parliament Street. (Territory includes Cape Province and Southwest Africa, Natal, Tanganyika, Kenya, Uganda, Mauritius, and Madagascar.) *Cable address, Cantracom.*

Johannesburg: J. H. ENGLISH. Address for letters—P.O. Box 715. Office—Prudential Assurance Building, 92 Fox Street. (Territory includes Transvaal, Orange Free State, the Rhodesias, Portuguese East Africa, Mozambique, and Nyasaland.) *Cable address, Cantracom.*

United Kingdom

London: FREDERIC HUDD, Chief Trade Commissioner in the United Kingdom, Canada House, Trafalgar Square, S.W. 1. *Cable address, Sleighing, London.*

London: H. A. SCOTT, Trade Commissioner, Canada House, Trafalgar Square, S.W. 1. *Cable address, Sleighing, London.*

London: G. R. HEASMAN, Trade Commissioner, Canada House, Trafalgar Square, S.W. 1. (Territory includes Home Counties, Southeastern Counties, and East Anglia.) *Cable address, Sleighing, London.*

London: W. B. GORNALL, Fruit Trade Commissioner, Aldine House, Bedford Street, Strand, W.C. 2. *Cable address, Canfrucum.* (Territory—for fresh fruit only—includes United Kingdom, Norway, Denmark, Sweden, France, Holland, Belgium, and Germany.)

London: ACTING ANIMAL PRODUCTS TRADE COMMISSIONER, Canada House, Trafalgar Square, S.W. 1. *Cable address, Agrilon.*

Liverpool: A. E. BRYAN, Martins Bank Building, Water Street. (Territory includes North of England, Lincolnshire, North Midlands, and North Wales.) *Cable address, Canadian.*

Bristol: E. L. MCCOLL, Northcliffe House, Colston Avenue. (Territory includes West of England, South Wales, and South Midlands.) *Cable address, Canadian.*

Glasgow: G. B. JOHNSON, 200 St. Vincent Street. (Territory covers Scotland.) *Cable address, Cantracom.*

United States

New York City: D. S. COLE, British Empire Building, Rockefeller Center. (Territory includes Bermuda.) *Cable address, Cantracom.*

Chicago: W. J. RIDDIFORD, Tribune Tower, 435 North Michigan Avenue. *Cable address, Canadian.*

Los Angeles: B. C. BUTLER, Associated Realty Building, 510 West Sixth Street.

Note.—Bentley's Second Phrase Code is used by Canadian Trade Commissioners.

Rev. Doc
Can
T

COMMERCIAL INTELLIGENCE JOURNAL

Vol. LXII

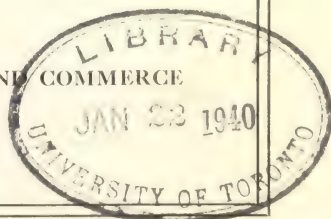
Ottawa, January 20, 1940

No. 1877



Douglas Fir Lumber in British Columbia ready for Export

ISSUED BY AUTHORITY OF
THE HON. W. D. EULER, MINISTER OF TRADE AND COMMERCE
JAMES G. PARMELEE, DEPUTY MINISTER



CONTENTS

	Page
Regulation of Prices in the United Kingdom.....	81
Northern Rhodesia's Trade with Germany.....	82
Effect of the War on Palestine Import Trade	83
Refrigeration in India	85
Australian Wheat and Flour	88
Wheat and Flour Trade and Markets:	
Wheat and Flour Production and Trade in Egypt.....	88
Wheat Production and Flour Trade of the Anglo-Egyptian Sudan	92
Wheat and Flour Trade of Cyprus.....	92
Wheat and Flour Production and Trade in Palestine.....	95
Wheat and Flour Trade in the Levant States under French Mandate	98
Wheat and Flour Production in Iraq	99
Construction Materials for the Chilean Government.....	100
Japanese Corporation Profits	101
Tariff Changes and Trade Regulations.....	104
Exchange Conditions in Foreign Countries:	
Cuba, Dominican Republic, Puerto Rico, and Haiti.....	108
Foreign Exchange Quotations	109
Trade Inquiries for Canadian Products.....	110
Commercial Intelligence Service.....	111

COMMERCIAL INTELLIGENCE JOURNAL

Issued Every Saturday by the Department of Trade and Commerce

PUBLISHED in English and French. Subscription Price for either edition: \$1 per annum in Canada (single copies 5 cents each); \$3.50 outside the Dominion (single copies 10 cents each). Remittances, which may be made by Post Office or Express Orders, or Drafts, or Cheques, payable at par in Ottawa, should be addressed to the King's Printer, Government Printing Bureau, Ottawa.

Vol. LXII

Ottawa, January 20, 1940

No. 1877

REGULATION OF PRICES IN THE UNITED KINGDOM

The Chief Canadian Trade Commissioner in London writes under date December 19, 1939, that with a view to checking unjustifiable increases in prices, which in war time contribute substantially to the tendency towards inflation, the United Kingdom Government recently took powers under the Prices of Goods Act to control this problem.

The first order made by the Board of Trade under the Act has been issued and will come into operation on January 1, 1940. Thereafter it will be a criminal offence to sell "price-regulated goods" at more than their price on August 21, 1939, plus an increase representing the actual rise in costs and expenses.

The goods affected are enumerated in the order and cover a wide range. The list is subject to addition or modification by subsequent orders in the light of experience. With isolated exceptions the goods included in the first order represent staple requirements and do not extend to expensive articles.

As an example, clothing of certain grades is brought within the scope of the order, and the maximum retail price for each line of goods on August 21, 1939, is indicated. Men's suits which then cost retail up to £4 5s. cash will henceforth be price-regulated goods. Traders are permitted to charge only the stipulated increase; namely, such addition to the basic price as is reasonably justified by changed conditions since August 21.

In certain instances "no price limit" has been specified in the order. This means that all classes of goods, cheap and expensive, of that particular article are subject to the price regulations. In this category are included overalls, dungarees, boiler suits, fishermen's sou'westers, etc., Italian cloth, sateen and cotton casement cloth (this covers black-out material), sand-bags, and electric flashlights and accessories, including batteries and bulbs.

In addition there is a special section of the order dealing with household goods sub-divided again into the following classes: household textiles, domestic hardware, domestic turnery, table cutlery, domestic glassware and pottery. Powers have also been taken to control the prices of textiles and leather materials used in the manufacture of many of the price-regulated articles.

The Act will be administered by a Central Price Regulation Committee, through the medium of local Price Regulation Committees. There will be sixteen local committees for the United Kingdom and one for Northern Ireland. The regions covered by the committees mainly coincide with those into which the country has been divided for civil defence purposes.

No inspectors will be appointed for the enforcement of the Act, so that its operation will depend upon the co-operation of the public. Any person who considers that the prices of any goods included in the order have risen unnecessarily is instructed to inform his local committee, which will investigate the circumstances. If it decides that either the retailer or the wholesaler or manufacturer of the goods has contravened the Act, and considers that the offender should be prosecuted, the case will be reported to the Central Committee. If the Central Committee thinks it desirable, the Board of Trade will be requested to prosecute.

NORTHERN RHODESIA'S TRADE WITH GERMANY

J. C. BRITTON, ASSISTANT TRADE COMMISSIONER

Johannesburg, November 28, 1939.—The complete stoppage of trade between Northern Rhodesia and Germany resulting from the outbreak of war should afford Canadian exporters an opportunity to obtain a larger share of the market for commodities formerly supplied by Germany and which are produced in exportable quantities by firms in the Dominion. The cessation of trade between Germany and Northern Rhodesia deprived the Colony of one of its most important markets, as Germany has in the past been a large purchaser of Rhodesian copper, but imports from Germany into Northern Rhodesia have not constituted a large percentage of the Colony's total imports. Imports into the Colony are fairly substantial and worthy of the consideration of Canadian exporters, being valued at £5,114,428 in 1938 and £4,004,402 in 1937. The mining industry, chiefly copper production, is the principal factor affecting economic conditions in Northern Rhodesia, and as this metal will be in demand for the duration of the present war, the external and domestic trade of the Colony is likely to increase.

NORTHERN RHODESIA'S EXPORTS TO GERMANY

Domestic exports from Northern Rhodesia to Germany were valued at £3,184,739 (31·8 per cent of total exports) in the calendar year 1938, £2,987,074 (25·1 per cent) in 1937 and £1,382,845 (23·4 per cent) in 1936. During these three years Germany stood in second place as a purchaser of Northern Rhodesia's products, following the United Kingdom. Copper exports make up a large proportion of these totals, being valued at £3,088,027 in 1938, £2,963,190 in 1937, and £1,381,730 in 1936; exports of fused vanadic oxide and zinc ingots accounted for the remainders. The loss of the German market should have no immediate adverse effect on copper production, however, as it has been officially announced that the United Kingdom will absorb the entire copper output of Northern Rhodesia during the continuance of hostilities.

IMPORTS FROM GERMANY

The value of imports from Germany into Northern Rhodesia is negligible when compared with the importance of Germany as an export market. Imports from Germany have, however, increased steadily in value from £31,357 (1·4 per cent of total imports) in 1936 to £91,079 (2·3 per cent) in 1937 and £118,796 (2·3 per cent) in 1938. A diversified list of items contributed to the above totals, the more important in 1938 and 1937 being the following:—

	1938	1937
Mining machinery	£25,755	£28,836
Railway material (including locomotives)	8,360	2,354
Electrical machinery and material	7,101	4,926
Telegraph and telephone instruments and apparatus	5,044	....
Wire (excluding netting and rope)	4,204	9,744
Lubricating oils	4,195	4,153
Potassium compounds	3,563	6,516
Pipe fittings	3,164	2,911
Industrial machinery	2,623	1,169
Agricultural machinery and implements (other than dairy)	2,510	2,540
Motor cars	2,493	897
Photographic apparatus and material	2,391	1,121
Firearms and parts	1,795	1,102
Surgical and dental instruments and appliances	1,692	1,994
Medicinal preparations	1,585	1,076
Pipes and piping	1,383	2,952
Motor trucks and vans	1,065	....

OPPORTUNITIES FOR CANADIAN EXPORTERS

There are several items on this list of products previously supplied by Germany, such as potassium compounds, telegraph and telephone instruments, and photographic apparatus, which may possibly not be of interest to Canadian exporters. On the other hand, Canadian exporters have already benefited from Germany's withdrawal from the Northern Rhodesian market through increased orders for agricultural implements. Certain types of mining machinery and equipment are regularly imported from Canada, and manufacturers specializing in these lines would be well advised to examine the possibilities of increasing their trade under this heading, as annual imports reach a large volume. Pipes and piping, pipe fittings and wire are other products on the list which should be of interest to Canadian firms. In addition, Germany has regularly exported to Northern Rhodesia, in competition with the same products from Canada, quantities of electrical batteries; bolts, nuts, rivets, screws and nails; chains for hauling; axes and shovels; gauze and screening; refractories; paper and paperware; and toys. An excellent opportunity is now presented of diverting Germany's trade in these products to Canadian sources of supply.

The Northern Rhodesian market is usually covered regularly by representatives of Southern Rhodesian firms, and in addition there are active resident agents located in close proximity to the chief mining centres. The bulk of the imports into Northern Rhodesia are consigned through the port of Beira, Portuguese East Africa. The Canadian Trade Commissioner in Johannesburg would welcome inquiries from Canadian exporters desirous of establishing their products in Northern Rhodesia or of increasing their exports to this market.

EFFECT OF THE WAR ON PALESTINE IMPORT TRADE

HENRI TURCOT, CANADIAN TRADE COMMISSIONER

[One Palestine pound (£P.) equals about \$4.40 Canadian currency]

Cairo, December 18, 1939.—For a year or two there has been a tendency on the part of Palestine merchants to discontinue trading with Germany, a tendency which grew much stronger after the absorption of Austria and Czecho-Slovakia by the German Reich. In addition, direct trade with Germany had become more difficult owing to the fact that importers in Palestine had to pay a steadily rising amount in foreign exchange to German exporters, instead of continuing to use reichsmarks obtained at a cheap rate from Jewish immigrants. The result was that Palestine's import trade in September was less disturbed by the prohibition of trading with Germany than would have been the case in 1937, which was a record year for Germany's exports to that country. At the same time the Reich continued to enjoy a fairly considerable share of Palestine's import trade up to the start of the war, so that as a consequence of the prohibition of trade the latter country now offers an outlet of some importance for the sale of the products of other countries.

When considering the trade opportunities offered by Palestine at the present time, it must be borne in mind that not only has trading with Germany been cut off but also trade with Austria, Czecho-Slovakia, Danzig, and a part of Poland; while, on account of export prohibitions and disruption of shipping facilities, imports from many other countries are difficult to obtain.

IMPORTS FROM ENEMY COUNTRIES

Imports into Palestine from the aforementioned countries in 1937, 1938, and the eight months ended August 31, 1939, were distributed as follows:—

	1937 £P.	1938 £P.	Jan.-Aug., 1939 £P.
Germany	2,628,226	1,770,752	1,491,837
Austria	151,907	*	*
Czecho-Slovakia	473,527	347,298	231,127
Poland	475,629	419,478	515,395
Total	3,729,289	2,537,528	2,238,359

* Included in figure for Germany.

As Palestine's total import trade in 1937, 1938, and the eight months ended August 31, 1939, respectively, stood at £P.15,903,666, £P.11,356,963, and £P.10,462,369, imports from the countries listed above accounted for substantial percentages of these totals.

IMPORTS FROM GERMANY

The official statistics for 1937 (no detailed figures are yet available for 1938) show the following values for imports from Germany into Palestine of commodities of interest to Canada:—

Milk powder and milk food, £P.553; fish in tins, £P.619; sulphur, £P.1,875; fur skins, raw, £P.2,322; seeds, agricultural, £P.1,129; asbestos manufactures, £P.2,792; earthen sanitary-ware, £P.26,284; enamelware, £P.4,221; door and window fittings, £P.25,462; iron sheets and plates, black, £P.22,997; galvanized sheets and plates, £P.39,962; tinned plates, £P.17,856; bolts and nuts, £P.6,286; iron nails exceeding 25 mm. in length, £P.10,177; iron nails, other, and iron staples, rivets, screws and horseshoe nails, £P.3,720; cast iron pipes and connections with wall thickness not exceeding 7 mm., £P.22,741; iron pipes, other, £P.181,238; iron pipe fittings and drawn tubes, £P.54,904; iron wire, other, £P.1,049; wire netting of iron, other, £P.6,586; iron and steel manufactures, other, £P.85,662; aluminium sheets, £P.28,214; aluminium domestic ware, £P.1,933; brass and copper sheets and bars, £P.10,165; tin manufactures, other, £P.3,047; zinc sheets, £P.2,267; metals, wrought and manufactured, other, £P.5,558; blades for safety razors, £P.1,116; cutlery, £P.8,415; dairy and poultry farming equipment, other, £P.4,157; agricultural, arboricultural and horticultural tools, £P.6,756; tools and implements, other, £P.29,058; electric cable and wire, £P.10,970; electric cooking stoves, £P.1,439; electric refrigerators and parts, £P.5,127; radios and parts, £P.7,013; agricultural machinery, £P.12,900; industrial and manufacturing machinery, £P.131,282; typewriters and parts, £P.7,071; wood prepared for citrus cases, £P.9,981; plywood, £P.5,341; wooden and timber manufactures, other, £P.6,364; stockings, £P.4,458; fertilizers, chemical, other, £P.38,722; chemicals, other, £P.12,925; disinfectants, £P.1,179; arboricultural insecticides, £P.1,664; insecticides, other, £P.971; drugs, £P.56,897; dyes, other, £P.1,006; paints, colours, varnishes, lacquers and ochre, other, £P.17,431; tanned hides and sole leather, £P.1,201; leather, chamois, designed, glazed, kid and tressed, £P.8,605; leather used for upholstery and for fancy leather goods, £P.1,296; leather, other, £P.39,208; crepe paper, £P.2,668; paper for packing citrus fruit, £P.22,324; paraffin paper and waxed paper, £P.1,885; printing paper, £P.20,429; paper cut in rhomboid shapes for envelopes, £P.2,941; sensitized paper and drawing paper, £P.1,415; paper, other, £P.88,816; envelopes, £P.981; cardboard and carton, £P.22,690; paper manufactures, n.e.s., £P.5,984; motor cars, omnibuses, lorries, vans and omnibus bodies, £P.51,943; motor chassis and tractors, £P.14,060; parts of motor vehicles and tractors, £P.5,258; motor car accumulators and batteries, £P.1,128; rubber heels, soles and attachments, £P.5,468; rubber tires and tubes, £P.2,496; rubber manufactures, n.e.s., £P.10,541; belting for machinery, £P.1,687; oilcloth and linoleum, £P.2,841; pianos, £P.6,017; printing ink, £P.7,435; stationery, n.e.s., £P.16,183; toilet preparations, £P.2,048; toys, £P.11,157. Total imports were valued at £P.2,628,226.

IMPORTS FROM AUSTRIA

In 1937, imports from Austria of interest to Canada were as follows:—

Cheese, other, £P.738; yeast, fresh and dried, £P.2,735; wood and timber, other, £P.376; door and window fittings, £P.3,839; iron wire, other, £P.1,850; wire netting of iron, other, £P.1,025; iron and steel manufactures, other, £P.5,960; brass and copper manufactures, other, £P.1,645; cutlery, £P.1,996; radios and parts, £P.924; industrial and manufacturing machinery, £P.2,076; pumping machinery, £P.1,306; wood prepared for citrus cases, £P.2,859; veneer wood, £P.665; wood and timber manufactures, other, £P.1,741; drugs, £P.2,186; paints,

colours, varnishes, lacquers and ochre, other, £P.1,374; printing paper, £P.4,549; paper cut in rhomboid shapes for envelopes, £P.1,383; paper, other, £P.8,900; bags, paper, not less than 63 cms. by 40 cms. £P.1,134; cardboard and carton, £P.2,735; cards, playing, £P.529; rubber manufactures, n.e.s., £P.5,686; stationery, n.e.s., £P.2,861. Total imports were valued at £P.151,907.

IMPORTS FROM CZECHO-SLOVAKIA

The principal items of interest to the Dominion imported from Czecho-Slovakia in 1937 were:—

Door and window fittings, £P.630; iron bars, rods and angles, £P.23,272; iron nails exceeding 25 mm. in length, £P.4,414; cast iron pipes and connections with wall thickness not exceeding 7 mm., £P.1,786; iron pipes, other, £P.15,705; iron pipe fittings and drawn tubes, £P.771; iron wire, other, £P.9,516; wire netting of iron, of mesh not larger than 18 by 18 to the square inch, £P.2,869; agricultural, arboricultural and horticultural tools, £P.672; tools and implements, other, £P.1,460; electric cable and wire, £P.4,871; wooden and timber manufactures, other, £P.5,412; stockings, £P.7,647; drugs, £P.721; tanned hides and sole leather, £P.968; paper for packing citrus fruits, £P.33,108; printing paper, £P.2,949; paper, other, £P.8,764; motor cars, omnibuses, lorries, vans and omnibus bodies, £P.3,314; rubber tires and tubes, £P.1,949; oilcloth and linoleum, £P.705; stationery, n.e.s., £P.5,556; toys, £P.1,468. Total imports, £P.473,527.

IMPORTS FROM POLAND

Imports into Palestine from Poland in 1937 which are of interest to Canada were the following:—

Cattle, £P.1,555; butter, £P.35,524; cheese, other, £P.1,574; yeast, £P.988; wood and timber, other, £P.38,711; seeds, agricultural, £P.1,653; iron bars, rods and angles, £P.36,687; iron sheets and plates, black, £P.1,369; channels and girders, £P.2,104; iron pipes, other, £P.5,601; iron pipe fittings and drawn tubes, £P.1,293; iron wire, other, £P.788; iron and steel manufactures, other, £P.1,018; cutlery, £P.970; wood prepared for citrus cases, £P.145,663; plywood, £P.47,463; drugs, £P.1,616; tanned hides and sole leather, £P.528; paper, other, £P.5,798; cardboard and carton, £P.542. Total imports were valued at £P.475,629.

TRADE OPPORTUNITIES FOR CANADA

Due consideration being given to the complete absence of imports from enemy countries, to the scarcity of imports from various other countries, and to the inquiries received at the Cairo office, it would appear that Canada can consolidate its position with respect to the commodities now being supplied to Palestine. These include oatmeal, flour of wheat, wheat, cereal food, apples, tires and tubes, rubber manufactures, canned salmon, canned sardines, upper leather, evaporated milk, silk hosiery, railroad ties, planks and board, paper, ploughs and parts, farm implements, hardware, automobiles, automobile parts, electrical apparatus. In addition, Canada may develop a market for others. Of late, interest has centred more particularly in timber, newsprint, paper of all kinds, foodstuffs, and various manufactured articles.

Canadian exporters in a position to supply goods to Palestine are invited to communicate with the office of the Canadian Trade Commissioner at Cairo.

REFRIGERATION IN INDIA

PAUL SYKES, CANADIAN TRADE COMMISSIONER

(Rs.1 approximately equals Canadian \$0.33)

Calcutta, October 26, 1939.—The climate over a large area of India for most of the year is so hot and humid that the trade in foodstuffs of a perishable nature has invariably been attended by serious risks and heavy losses. To some extent the diversion from fresh to imported tinned foods has enabled the trade and the individual consumer to avoid these risks and losses; but the alternative has not at all times proved satisfactory and there is to-day a definite trend in this market towards increased use of refrigeration in the import, storage, and distribution of many types of foodstuffs.

LOCAL CONDITIONS

The severity of the Indian climate is experienced in all the principal cities. Those on or near the coast, such as the larger cities of Calcutta and Bombay, have hot weather practically throughout the year. Some of the principal inland centres, such as Lahore and Delhi, have much higher summer temperatures but a cold winter. In the early days of European settlement, the prevailing heat and humidity in the principal markets resulted in the practice of consuming all perishable foods immediately following their purchase in the bazaars, and in the universal custom of buying only sufficient of such foods for each day's use. It is still uncommon, for example, for domestic fruits to be served at dinner as these will have been kept during the heat of the day and may have deteriorated sufficiently to be unpalatable or dangerous.

The increased use of artificial ice and electric- or gas-operated domestic refrigeration has greatly ameliorated conditions in the larger centres of population for the individual rather than for the trade. The latter is to a large extent controlled by small Indian firms which cannot afford to install refrigerating plants and take the risk of selling out their daily stocks. A further factor is the shipment of fruits, vegetables, and other perishable foods over the long distances from producing areas to the leading markets. The railways have been slow in providing refrigerated cars for such traffic and many shippers and dealers are inclined to take the risk of loss rather than pay the higher costs of freight in refrigerated space. The result is that losses are still heavy and that markets have in many cases gone without supplies of fruits, fish, meats, and vegetables which are in keen demand and would otherwise be available.

COLD STORAGE FACILITIES

Installation of refrigerated chambers on cargo vessels has made it possible for perishable foodstuffs to be brought into India's main ports from many sources. The obvious desirability of extending the sale and consumption of these goods and of encouraging and regulating domestic production has recently been made a subject of investigation by the government. The Imperial Council of Agricultural Research has for some time past carried out a series of experiments with the cold storage of various foods and, with the aid of the Agricultural Marketing Advisor, the railways, and defence authorities, has issued various reports on this important question. Practical developments may not be apparent for some time to come, but it is obvious that the field offers wide scope for scientific investigation and practical co-operation by the trade.

Cold storage plants at present in operation in India are in general of such limited capacity and of so many different types that no comprehensive record of them is available. One firm in Calcutta operates a cold storage with a capacity of 800,000 cubic feet. The remaining plants in Calcutta, Bombay, Madras, and Karachi are all small units of which the largest, in Bombay, has no more than 52,000 feet of space. The systems and equipment in use also vary considerably and depend largely on temperatures required for the preservation of different commodities.

Facilities for the transfer of cold storage goods from one part of the country to another are also limited. The North Western Railway operates 162 cold storage cars in which ice is used to control the temperature. Several other railways operate less than ten of such cars each. Experiments are being made with dry ice cars and several others equipped with mechanical refrigerating plants. It is uncommon for individual firms to own their own refrigerator cars. Investigations into the practicability of this plan indicate that the market is still too restricted and haulage charges too high to allow it to be carried out at a profit.

MARKET FOR COLD STORAGE GOODS

The total market for cold storage goods in India is comparatively small. In general the Indian population does not require these products, that is, apart from indigenous fruits and vegetables or a few imported articles. There is, however, a year-round market in the principal ports and inland cities for frozen and chilled meats, cheese, butter, fish, fruits, and various similar foods which are in common demand by the European population. Butter imports, for example, reached a value of Rs.828,314 during the fiscal year 1936-37. Cheese imports were valued at Rs.797,155. Indian trade returns do not itemize the trade in frozen or chilled meats, frozen fish, or fruits and vegetables imported fresh from temperate climates, but the trade in these articles is undoubtedly a growing one.

Canadian trade in such products to the Indian market has never attained dimensions of any importance. This has been due primarily to the competition offered by the United Kingdom, Denmark, New Zealand, Australia, and several African countries. It has also been due to the lack of refrigerated space on vessels operating directly between Canadian Atlantic ports and India. Shipments, whether from the Atlantic or Pacific coasts, must be transhipped at United Kingdom ports or Hongkong with resultant risk and increased freight and insurance charges. It should be noted, however, that sizable quantities of Canadian cheese and frozen fish have for many years been imported into this market from London as United Kingdom produce.

The high quality of Canadian cheese of various grades and of the numerous types of frozen fish, and the favourable comparison between their cost and that of similar products of European production indicate that trade in these two groups of commodities may be expected to show further advances over the progress made in recent years. The trade in bacon and ham is also of interest; but sales are only possible when the Canadian hog market is at or below normal levels, competition from Denmark particularly rendering this condition essential to business. The butter and fresh meat trade is mainly controlled by New Zealand, Australia, and the United Kingdom, and it is seldom that Canadian offers on these lines will be obtainable or prove competitive. Fruit exports to India have of recent years fallen off to nothing and it is not expected that sales will be resumed until small shipments can be made at prices competitive with United States offers.

REFRIGERATING AND AIR-CONDITIONING EQUIPMENT

Inquiries are frequently received in this office for refrigerating or air-conditioning machinery. Canadian firms able to quote on any such equipment are requested to furnish catalogues and quotations on such products for submission to local buyers or agents. As indicated above, the demand for refrigerating machinery is generally limited to plants of small capacity and it is suggested that diesel-powered direct-expansion ammonia equipment has been found to be well adapted to present requirements and conditions.

The market for air-conditioning equipment for houses and offices has undergone large expansion during recent years. This expansion has been most evident in the case of portable machines for individual rooms, but it has extended also to large plants for theatres, offices and public buildings. In the former case offers to date have been based upon equipment of too small capacity to give adequate service in the large, high-ceilinged rooms and in the high temperatures which are common throughout India; if at all possible motors should be of $1\frac{1}{4}$ or $1\frac{1}{2}$ h.p. to permit the machines to operate satisfactorily under all conditions.

AUSTRALIAN WHEAT AND FLOUR

Mr. Frederick Palmer, Canadian Trade Commissioner at Melbourne, cabled on January 16 with regard to the wheat and flour situation in Australia as follows:—

"The official forecast of the 1939-40 crop production is 186,543,000 bushels. The situation in Australia has been considerably brightened by the British Government's purchase of 1,659,000 tons of wheat, including 150,000 tons of flour. The price fixed by the Australian Wheat Board for half this quantity has not been disclosed, but it is believed to be between 3s. and 4s. per bushel f.o.b. The price for the remainder is to be fixed later in the year. Delivery of the first half is to be taken by July 15 when payment is to be made for any undelivered balance and the second half of the contract is to be taken by January, 1941. Flour equal to about 25 per cent of normal annual flour exports of Australia will be delivered throughout 1940.

"Current prices of wheat in Australia fixed by the Wheat Board are 4s. $\frac{1}{2}$ d. (approximately equal to 70 cents Canadian) per bushel f.o.b. for bagged wheat and 3s. 9 $\frac{1}{2}$ d. (approximately equal to 66 cents Canadian) per bushel for wheat in bulk. Sales of 23,500,000 bushels of wheat other than to Great Britain have been made since acquisition of wheat by the Australian Government in September. Inquiries from India indicate a willingness to buy, but the freight position checks volume business. Freight space is very scarce to all destinations. The nominal rate fixed by the British Government from Australia to the United Kingdom is 55s. 9d. a ton; neutral shipping is asking 100s. Export quotations for flour in 49-pound calico bags are approximately £9 15s. (equivalent \$34.42 Canadian) per ton and in 150-pound sacks £9 12s. 6d. (equivalent \$33.88 Canadian) per ton. Flour business is quiet. There is some demand from the Near East and northern China, but exchange difficulties debar sales to the latter."

WHEAT AND FLOUR PRODUCTION AND TRADE IN EGYPT

HENRI TURCOT, CANADIAN TRADE COMMISSIONER

[One Egyptian pound (£E.) equals \$4.58 Canadian]

Cairo, December 2, 1939.—Egypt is chiefly an agricultural country. After cotton, the country's staple product, wheat is the most important crop harvested in the Nile Valley.

As a result of the Egyptian Government's consistent policy of encouraging domestic cultivation of wheat by adopting measures to maintain prices at a level remunerative to the farmer, Egypt may be said to have become self-sufficient. It is only under exceptional circumstances that wheat is imported in any quantity into the country. The self-sufficiency of Egypt, whose population is in the neighbourhood of 16,000,000, is due as well to the bakers' practice of mixing maize flour or flour obtained from rice screening in various proportions with wheat flour; also to the fact that the poorer classes eat little or no bread made from wheat flour.

On the other hand, some quantities of flour continue to be imported into Egypt. Imported flour is intended principally for blending with local flour milled from Baladi wheat, the gluten content of which is very low. However, in common with the domestic cultivation of wheat, local milling of flour since 1930 has been promoted by a gradually increasing tariff protection, while flour has been so heavily taxed that imports have diminished considerably.

WHEAT PRODUCTION

Wheat is generally sown by hand in Egypt. The seed is scattered behind the plough on moist land, or it is broadcast on dry, ploughed land and then lightly covered and irrigated. The first method requires less time and labour than the second, but it requires a much heavier rate of sowing. Further, there is more disease, such as bunt and flag smut, in grain so sown.

Rain seldom falls in Upper Egypt and only at irregular intervals in Cairo, where the average for the year is no more than 1.2 inch. At Alexandria the average is 8 inches. It is to be observed, however, that irrigation occupies a predominant place in the agricultural development of the country.

Soft wheat only is produced in Egypt. The chief varieties are the Hindi (density from 780 to 810, gluten content from 5 to 7 per cent) and the Baladi (density from 750 to 770, gluten content from 3 to 4 per cent). The Hindi is superior for milling purposes; the Baladi gives a bigger yield. Baladi wheat has been grown for centuries in Egypt; the Hindi, originally from India, has only been cultivated for about thirty years. During this period the spread of Hindi wheat has been rapid, particularly in the Delta, and now almost half of the wheat area of Egypt is under this variety.

The cultivable area of Egypt (Nile Valley, Delta, and oases) was reckoned in 1935-36 at 8,316,251 feddans (one feddan is equal to 1.038 acre), and of this 838,077 were taken up for public utility purposes and 2,143,044 were uncultivated for want of reclamation. Owing to Egypt's vast irrigation system, wheat can be produced in every cultivable part of the country.

The area and yield of wheat during the five years 1935 to 1939 were as follows:—

Egypt's Wheat Area and Yield

	Area Feddans	Production		Average Yield per Feddan Ardebs
		Ardebs*	Tons	
1935	1,409,815	7,842,254	1,176,335	5.56
1936	1,409,877	8,291,704	1,243,756	5.88
1937	1,368,900	8,233,110	1,234,967	6.01
1938	1,416,307	8,334,421	1,250,163	5.88
1939	1,446,355	8,892,000	1,333,800	6.15

* One ardeb is equal to 150 kilos or 5.44 bushels.

The present annual consumption of wheat in Egypt is estimated at about 7,500,000 ardebs or 1,125,000 tons. Any exportable surplus of the domestic production, after supplying the needs of the country, finds its way either as wheat or in the form of flour to nearby markets.

WHEAT IMPORTS

As already intimated, under ordinary conditions Egypt is not dependent upon foreign sources of supply for wheat. In 1935, to counteract abnormally high prices resulting from speculation, the Egyptian Government purchased a considerable quantity of Australian wheat, which was placed on the market at a low price, bringing about the desired result. Beyond this instance, imports of wheat into Egypt in the last few years have been negligible.

WHEAT EXPORTS

Egypt cannot be regarded as an exporter of wheat. It is true that during the wheat year 1937-38, when there was a carryover of 45,000 tons from the previous season in addition to a substantial crop, exports of wheat amounted to 36,236 tons (27,452 in 1937 and 8,784 in 1938); but normally exports, if any, are negligible.

Although this year's crop was larger than that of any previous year, it was not expected that wheat would be available for export in Egypt. In any event, exports of wheat were prohibited as from August 28.

GOVERNMENT WHEAT POLICY

Since Egypt's customs tariff was radically altered and a protective régime introduced in 1930, the duty on foreign wheat has been augmented at various intervals with the object of keeping internal prices at a level profitable to

farmers, thus encouraging them to produce more wheat. The object has been to meet the requirements of the country from the domestic crop.

Government assistance is also afforded to the farmers by way of cash advances up to a certain percentage of the value of their crop. These advances are made through the Agricultural Bank and the National Bank of Egypt on the guarantee of the Government. The crops are deposited by the farmers in the depots of the banks at various points throughout the country, sales from these depots being effected to the millers and the balance credited to the grower. (To a lesser extent, private concerns carry on the same system of financing farmers, but the conditions are generally more onerous.)

Other forms of Government encouragement extended to wheat producers include free distribution of seed wheat and manures. In recent years experiments have been carried out in various parts of the country by some of the larger chemical manure suppliers, the results being made known to farmers by means of pamphlets, brochures, etc.

IMPORT REGULATIONS

There are no trade restrictions upon the importation of wheat into Egypt, provided that the product is in a suitable condition for human consumption and does not contain insects harmful to plant life in this country. It may be added that dealings in all foreign exchange, except sterling, are now controlled in Egypt.

DUTIES

Wheat imported into Egypt falls under tariff item No. 69, which fixes the rate of duty on the basis of the quotation for the ton of Australian wheat on the London Exchange, c.i.f. Egyptian port. The duty rises gradually from £E.0·480 per 100 kilos, gross weight, when the quotation is £8 or more, to £E.0·945 when the price quoted is below £3.

To the above is to be added an ad valorem duty of 3 per cent of the c.i.f. value, which is applicable to all imports, and quay dues of 10 per cent of the duty.

FLOUR MILLING

There are important flour mills at Cairo, Alexandria, and Port Said, that is to say, in the principal centres of Egypt, to which there is easy access for transport of grain. Some ten of these mills are modern and well-equipped plants, possessed of ample financial resources; the others, although not entirely up-to-date, have a comparatively large capacity. A number of primitive mills, scattered throughout the country, cater for the needs of their respective localities, while quite an important quantity of wheat is ground in a primitive manner by the farmers themselves for home consumption.

With the exception of the few mills which cater for the better-class Egyptian trade, local mills generally mix a percentage of rice or maize flour with the wheat.

Domestic flour is marketed generally through the medium of wholesale merchants, although in a few cases the mills themselves maintain depots.

BAKING AND ALLIED TRADES

An important part of the baking trade in Egypt is run on primitive lines for the exclusive purpose of producing the type of bread and biscuits required by the masses of the people, who are very poor. This type is made of a mixture of about 70 per cent native flour and 30 per cent rice or maize flour or both. It may be added that a large proportion of the poorer classes bake their own bread.

There are some modern and well-equipped bakeries in Cairo, Alexandria, Port Said, and some of the principal provincial towns. These cater almost entirely to the better-class European population.

A remarkable increase has taken place in the last few years in the local production of alimentary paste, considerable quantities of which product were formerly imported from Italy. At present, as a result of tariff protection, over fifteen establishments, with a capacity of about 10,000 tons yearly, are engaged in this business. In consequence the import figures continue to fall rapidly. A small quantity of alimentary paste (about 300 tons in 1938) is still being imported from Italy, the United States, and the United Kingdom, but this figure will probably continue to diminish.

FLOUR IMPORTS

In the 1920-29 period (prior to tariff protection) average yearly imports of flour into Egypt amounted to 169,947 metric tons. The peak year was 1925 with 198,575 metric tons, and the lowest year 1922 with 108,700 metric tons. During the 1930-35 period (after the introduction of a protective policy) average annual imports were 69,831 metric tons, the highest figure being 195,929 metric tons in 1930 before the effects of tariff modifications were felt. In the years following 1930 imports declined gradually to the low level of 3,350 metric tons in 1935, this decline coinciding with the upward trend in customs duties. In 1938 and 1937 imports of flour totalled 3,633 and 2,336 metric tons, respectively.

All importing countries, Australia particularly, have been adversely affected by the prohibitive duties imposed in the last few years on foreign flour imported into Egypt. This is evident in the following table showing imports of flour into Egypt by supplying countries for the years 1930 to 1938:—

	1930	1931	1932	1933	1934	1935	1936	1937	1938
	Figures in Metric Tons of 2,205 Pounds								
Total.....	195,360	152,244	58,430	5,247	4,041	3,223	3,073	2,336	3,633
United Kingdom	1,100	164	310	166	148	129	139	108	105
British India	1,852	863	238	.....	.....	.....	.....	.....	253
Australia	95,223	100,049	43,091	205	203	229	222	138	1,430
Canada	3,774	557	266	207	107	76	348	190	27
United States	17,264	14,452	9,127	4,644	3,559	2,773	2,358	1,894	1,812
France	49,929	26,817	2,097	10	.....	.....	.....	.....	.....
Italy	21,000	5,163	946	.....	.....	.....	.....	.....	.....
Other countries	5,218	4,179	2,355	15	24	16	6	6	6

It will be noted that imports of flour from Canada into Egypt have fallen from 3,774 metric tons in 1930 to 557, 266, 207, 107, 76, 348, 190 and 27 metric tons in 1931, 1932, 1933, 1934, 1935, 1936, 1937 and 1938, respectively. Canada's position has no doubt been affected by Egyptian tariff developments; but the decline in sales of Canadian flour to Egypt is also due to the high prices quoted in recent years on the Canadian product as compared with those for United States flour. This price situation appears to have been more or less corrected from the beginning of 1939; but United States flour has built for itself such a reputation in Egypt that, even on equal terms, it would be difficult for Canadian flour to gain much ground.

The types of flour purchased from Australia are, for the greater part, the "Brilliant" and "Charlich City," while the United States brands mostly in demand are the "Gold Medal" and "Northern King."

Most of the Australian and United States flour is purchased direct by wholesalers and is held in bond at Alexandria (United States) or Port Said (Australian) for withdrawals as required.

Domestic flour, as well as local wheat, is among the products for which prices have been fixed from time to time by the Government since the beginning of the present war.

CUSTOMS DUTIES ON FLOUR

There are no restrictions of any kind as regards the import of flour into Egypt, provided it is fit for human consumption.

Flour for baking purposes or for the manufacture of alimentary pastes is dutiable under item No. 76 of the Egyptian customs tariff. This item follows the practice established under item No. 69 (wheat), the duties on flour being increased throughout by £E.0·450 per 100 kilograms gross weight. In addition, an ad valorem duty of 3 per cent of the c.i.f. value is imposed on flour in common with all goods imported into Egypt, and the quay dues amount to 10 per cent of customs dues.

WHEAT PRODUCTION AND FLOUR TRADE OF THE ANGLO-EGYPTIAN SUDAN

HENRI TURCOT, CANADIAN TRADE COMMISSIONER

(£E.0·975 equals £1 sterling)

Cairo, November 9, 1939.—The Anglo-Egyptian Sudan is primarily an agricultural country. Cotton is the chief one of the cultivated crops, followed by dura, dukn, sesame, maize and wheat. The wheat yield amounted to 8,196 tons in 1938 as compared with 5,602 and 7,076 tons in 1937 and 1936, respectively. The larger part of the wheat grown in the Sudan is cultivated on irrigated land.

The country's requirements of wheat are generally met from domestic production. Imports, which are negligible, come from Egypt.

Locally milled flour of a low grade, and domestic dura (millet) flour, which is also used by the natives for making bread, are supplemented by fairly considerable imports of wheat flour. The foreign population being very small (a few thousands out of an estimated total of 5,720,000), the bulk of the demand is for a product of inferior quality, selling at the lowest possible price. Australia supplies the larger share of imports. The following table shows the quantities and values of flour imports in 1938 and 1937, according to official figures:—

	1938		1937	
	Tons	£E.	Tons	£E.
Total	17,347	155,500	18,486	216,384
Great Britain	103	1,143	187	2,451
Egypt	226	3,186	971	12,047
Australia	14,101	126,388	11,726	141,436
British India	2,639	22,800	3,327	36,476
France	229	1,462	2,024	20,705
Hungary . . . . .	....	....	240	3,143
Abyssinia	18	277	....	....
United States	31	241	3	57
Other countries . . . . .	....	3	8	69

High freight rates and prices militate against the introduction of Canadian flour into the Sudan.

WHEAT AND FLOUR TRADE OF CYPRUS

HENRI TURCOT, CANADIAN TRADE COMMISSIONER

Cairo, December 2, 1939.—Wheat occupies a prominent place in the economy of Cyprus. The island is dependent on foreign countries for a portion of its requirements, imports varying with the importance of the domestic crop.

DOMESTIC PRODUCTION

The area sown to wheat in Cyprus is estimated at 200,000 acres, mainly on the central and coastal plains where the climate is generally dry, but the

rainfalls vary from 9 to 15 inches during the growing season. The types of wheat produced include the Kyperunda (hard and late), Psathas (hard and early), and Pafitico (hard and medium). Annual production ranges according to prevailing climatic conditions from 1,700,000 to 2,600,000 bushels; it is entirely consumed locally, with the exception of small quantities exported occasionally to Greece for seeding purposes. The yearly consumption of the island, whose population is in the neighbourhood of 350,000, is placed at from 2,800,000 to 3,000,000 bushels, so that Cyprus has to import wheat to meet total requirements. The 1939 crop is officially estimated at 2,400,000 bushels as against 2,000,000 bushels in 1938. During the current wheat year, imports into Cyprus, including flour in terms of wheat, are therefore expected to amount to from 400,000 to 600,000 bushels; owing to present conditions, however, importers may make heavier purchases abroad.

WHEAT IMPORTS

Official statistics of imports of wheat into Cyprus during the calendar years 1938 and 1937 are as follows:—

Imports of Wheat into Cyprus

	1938		1937	
	Cwts.	£	Cwts.	£
British India	4,788	1,799	3,039	1,670
Palestine . . . . .	....	....	38	24
Argentina . . . . .	....	....	60	12
Egypt	2	1	46,036	24,022
Greece . . . . .	....	....	10	7
Iraq	84,493	28,939	55,698	29,232
Roumania	12	6	2	1
Syria	10,497	3,903	30,217	15,503
Turkey . . . . .	....	....	16,561	7,316
Total	99,752	34,648	151,661	77,787

As a rule, Syria is one of the island's leading suppliers of wheat. In 1936, with 74,012 cwts. out of total imports of 74,974, she was practically the only source of supply; but in 1937 and 1938 her share fell sharply, owing largely to a ban on her exports during a considerable part of those years. Iraq, a more or less normal source of supply, was the principal source of supply in both 1938 and 1937, with a pronounced increase in the past year. Egypt was only periodically in the export field in 1937, and the larger portion of her shipments of wheat were to Cyprus. Briefly, Iraq and Syria have been in the past few years the main suppliers of wheat to Cyprus. As a result, however, of the increase in the tariff preference on wheat of Empire origin, coupled with favourable prices, Canada has, since April, 1939, been the principal source of supply.

The duty on wheat imported into Cyprus is £2 per ton (preferential tariff) and £5 per ton (general tariff) as against £1 and £2 per ton, respectively, prior to March 17, 1939. [Effective December 23, 1939, Cyprus reduced the preferential tariff on wheat (applicable to Canada) from £2 to £1 5s. per ton and the general tariff from £5 to £1 10s. per ton.]

FLOUR MILLING

There are modern flour mills in the capital (Nicosia) and ports (Famagusta, Larnaca, Limassol, and Paphos) of Cyprus, but milling in the island is generally done in a primitive manner by using mill-stones. All flour mills are privately owned, and wheat is milled for the account of its owner against payment either in cash or in kind. There are no miller-merchants in Cyprus.

Cyprus bakers buy their flour from merchants. They make two kinds of bread: brown from wheat milled locally, and white from imported flour, mostly of Australian and British India origin, owing to the comparatively low cost of flour from these countries. The quality of bread is of minor importance in Cyprus; price to the consumer and profit to the baker are the main considerations.

High-quality pastry, for which the demand is limited, is made from United States and Canadian flour, which suggests that the outlet in Cyprus for flour from these countries is small.

FLOUR IMPORTS

Following are the official figures of imports of flour into Cyprus during the calendar years 1938 and 1937:—

Imports of Flour into Cyprus

	1938		1937	
	Cwts.	£	Cwts.	£
United Kingdom	764	488	182	197
Australia	278,533	132,946	244,149	154,898
British India	58,304	29,174	76,004	47,845
Canada	98	58	.....	.....
Malta	20	9	.....	.....
Palestine	6	6	4	4
Syria . . . . .	.....	.....	20	9
United States	502	392	274	242
Total	338,227	163,073	320,633	203,195

Since Australian and British Indian flour is cheaper than Canadian, and assuming that for this reason the Canadian product will not be used for bread-making in Cyprus, it is very unlikely that, under normal circumstances, that is to say if supplies of Australian and British India flour continue to be available, the sales of the latter can be substantially increased. At best it will be possible for Canada, with the advantage of the preferential tariff, to obtain a share of the United States sales if and when prices are in line. It is reported that the shipments of Canadian flour to Cyprus increased in 1939 at the expense of the United States.

The preferential duty on flour is £3 per ton and the general tariff £6 per ton as compared with £2 and £5, respectively, prior to March 17, 1939. Thus flour from Australia, British India, and Canada is dutiable at the lower rate, while that from the United States pays the higher duty—an addition of £3 per ton.

Australian flour for Cyprus is generally drawn from stocks at Port Said and United States flour from stocks at Alexandria, quotations being accordingly on a c.i.f. Port Said or Alexandria basis.

GOVERNMENT INTERVENTION

As part of a scheme prepared with the object of ensuring a ready market at reasonable prices for stocks of domestic wheat then available for sale, the Cyprus authorities prohibited, as from August 2, 1939, the importation of wheat and flour into the island except under licences issued by the Director of Agriculture, such licences to be withheld at the discretion of the authorities concerned or to be made subject to such conditions as they consider necessary to impose. For a time no import licences were issued, but in view of the international situation the order restricting the importation of wheat and flour into Cyprus was repealed as from September 6.

On the other hand there is a tendency to guarantee prices for domestic wheat through the Co-operative Credit Societies, and to attain this end the Government has issued orders, under date September 5, fixing prices of domestic wheat and barley, the prices varying according to districts.

PROSPECTS FOR CANADIAN WHEAT AND FLOUR

Cyprus will likely be a good market for Canadian wheat while the present import duty is in force. The same, however, cannot be said of the market for Canadian flour so long as Australian and Indian flours are readily available, since these are cheaper than the Canadian product.

WHEAT AND FLOUR PRODUCTION AND TRADE IN PALESTINE

HENRI TURCOT, CANADIAN TRADE COMMISSIONER

[One Palestine pound (£P.) equals £1 sterling]

Cairo, December 9, 1939.—According to official figures, Palestine's annual crop of wheat during the five years 1934-38 averaged over 87,000 tons. Imports of wheat and flour, the latter in terms of wheat, amounted to about 66,000 tons per annum during the same period. Since there are no exports, the average annual consumption of Palestine thus aggregated some 153,000 tons.

The 1939 wheat crop is estimated at 100,000 tons, the grain being generally of a good quality. On the other hand, imports of wheat and flour during the first six months of this year totalled in the neighbourhood of 70,000 tons, this figure not including comparatively large quantities of wheat and smaller amounts of flour held in bonded warehouses. Since July 1 imports of wheat and flour have continued to come into Palestine. It appears, therefore that stocks are ample. International conditions, however, have led merchants to effect further imports and to augment their bonded stocks. The result has been that, in spite of the excellent crop reaped, the import trade has remained active.

WHEAT PRODUCTION

Hard wheat only is produced in Palestine, and the *Triticum durum* variety predominates. The quantity yielded depends largely upon weather conditions. The rainfall during the winter season and the hot winds during the spring have an adverse effect on the crop. In years of favourable weather conditions, a harvest in the neighbourhood of 100,000 tons is the rule, as was the case this year. The domestic crop is invariably disposed of locally. So is the flour milled in Palestine.

IMPORTS OF WHEAT

Official statistics give imports of wheat (hard and soft) into Palestine in the six months ended June 1, 1939, and in the calendar years 1938, 1937 and 1936, at 48,135, 39,211, 37,163, and 21,536 tons, respectively. Details of imports for 1939 and 1938 are not yet available. Imports in 1937 and 1936 by supplying countries were as follows:—

Imports of Wheat by Supplying Countries

	1937 Tons	1936 Tons
Total	37,163	21,536
Australia	613	502
Canada	442	....
British India	782	....
Bulgaria	1,104	798
Roumania	5,966	301
Russia	499	....
Yugoslavia	303	....
Egypt	1,742	....
Iraq	17,805	....
Syria	7,379	19,731
Turkey	106	....
United States	409	....
Other countries	13	204

While Syria was credited in 1936 with 19,731 tons out of total imports of 21,536 tons, the distribution of imports of wheat into Palestine in 1937, as indicated by the above table, was more diversified, with Iraq occupying first place, followed by Syria, Roumania, Egypt, etc.

Canadian wheat reappeared on the Palestine market in 1937, 442 tons being purchased by one mill specializing in high-grade flour. It is reported that in 1938 and 1939 the quantity of Canadian wheat imported into Palestine has shown, as a result of favourable prices, quite a considerable advance, the purchases being effected direct or through Continental firms.

As regards Syria, which occupies generally a prominent place on the Palestine market, the ground lost in 1937 is to be ascribed mainly to the ban put on exports of wheat from Syria during part of that year. In 1938 the same situation prevailed. While some quantities of Syrian wheat were exported to Palestine during the past summer, no wheat is now being shipped from Syria, export being again prohibited.

DUTIES ON WHEAT

Hard wheat (including *Triticum durum*) and soft wheat, except from Syria and Trans-Jordan, which enters Palestine duty-free, is now dutiable at the following rates on the value per ton as determined by the Director of Customs:—

Value per ton	Duty per ton
£P.8 or over.. . . .	£P.1
£P.7½ or under £P.8.. . . .	£P.1½
As value decreases by £P.¼ per ton, duty increases.. . . .	£P.¼
Maximum duty (reached when value is under £P.5¼ per ton).. . . .	£P.4
In practice, the c.i.f. value serves as a basis for calculating the duty.	

WHEAT IMPORT REGULATIONS

The importation of wheat (other than wheat allowed to be deposited in bonded warehouses) into Palestine is limited by quotas, with the exception of wheat from Trans-Jordan. Owing to Palestine being a mandated country, the quotas apply to the total quantities of the varieties (*Triticum durum*, other hard and soft) to be imported, but not to individual countries. In other words, holders of import permits are free, within the limits of the quotas established for each variety, to effect their purchases wherever they like. Wheat quotas are established quarterly by the Department of Customs, Excise, and Trade in accordance with the needs of the country.

Under regulations in force since September 22, 1938, wheat other than *Triticum durum* may be stored in bonded warehouses independently of import permits. Deliveries of wheat from bonded warehouses are, however, regulated quarterly in the same way as ordinary wheat imports. (These regulations do not apply to wheat produced in and imported into Palestine directly from Trans-Jordan).

Since March 23, 1939, the importation of *Triticum durum* wheat for deposit in an approved bonded warehouse has been permitted until further order, subject to the restrictions as to importation and delivery from bond set out in the preceding paragraph.

FLOUR MILLING

In centres like Jaffa and Haifa (ports), Jerusalem and Nablus, there are modern mills owned by limited liability companies or by private individuals. These mills are capable of producing a good quality flour, and employ both domestic and imported wheat. In the small mills to be found throughout the country an inferior quality of flour is milled, local wheat being used entirely. The capacity of Palestine's milling industry exceeds considerably the domestic needs. Nevertheless, no flour is milled in the country for export.

BAKING AND ALLIED TRADES

Bakeries are numerous in Palestine. Those in the more important centres are well equipped and those in the smaller places are quite primitive.

Biscuits and alimentary pastes are made in Palestine, but the locally-made products are inferior in quality to those imported from abroad and the industry remains unimportant.

IMPORTS OF FLOUR

According to official statistics, imports of flour into Palestine for the six months ended June 30, 1939, and the calendar years 1938, 1937, and 1936 amounted to 8,446, 19,563, 27,317, and 30,629 tons, respectively. Details of imports for 1939 and 1938 are not yet available. Imports in 1937 and 1936 by supplying countries were as follows:—

Imports of Flour by Supplying Countries

	1937 Tons	1936 Tons
Total	27,317	30,629
United Kingdom	127	127
Australia	8,962	8,348
Canada	71	227
France	107	....
Hungary	75	....
Egypt	68	....
Syria	2,882	9,134
United States	15,061	12,718
Other countries	91	75

It will be seen from the above table that the flour import trade of Palestine in 1936 was chiefly shared by the United States, Syria, and Australia, in order of importance, but that in 1937 more than one-half of the shipments originated in the United States and about one-third in Australia, Syria's shipments being substantially reduced. In 1938, the distribution was closely similar to that of 1937, except that imports from Syria were further reduced, owing to exports of flour from that country being prohibited for a considerable part of the year. The United States is reported as having made further progress in 1939, the tariff enforced since July 21, 1938, being more advantageous to high-grade flour.

Imports of flour from Canada, as shown above, dropped from 227 tons in 1936 to 71 tons in 1937. This was accounted for by the fact that prices of Canadian flour were entirely out of line with those of the United States product. In 1938, Canadian prices were more favourable, and progress was made in the sales of Canadian flour in Palestine, while in 1939 a further advance appears to have taken place.

DUTIES ON FLOUR

Flour imported into Palestine is now dutiable at the following rates on the value per ton as determined by the Director of Customs:—

Value per ton	Duty per ton
£P.11½ or over	£P.2
As value decreases by £P.¼ per ton, duty increases	£P.¼
Maximum duty (reached when value is under £P.6¼ per ton)	£P.7½
In practice, the c.i.f. value serves as a basis for calculating duty.	

For customs purposes, values of flour are fixed quarterly, as in the case of wheat.

As regards the tariff, the sales possibilities for high-grade flour are now favourable in Palestine. It is evident that the quality product is in a decidedly better position from the standpoint of tariff than lower grade flour.

FLOUR IMPORT REGULATIONS

Except for flour from Trans-Jordan, imports of flour into Palestine are subject to quotas. As in the case of wheat, quotas apply to quantities and not to individual countries. These quotas are determined quarterly.

Under regulations effective May 30, 1939, the importation of flour for deposit in an approved bonded warehouse is permitted, subject to the same restrictions as to the importation and delivery from bond of wheat.

MARKET PROSPECTS

Admittedly the Palestine tariff is more advantageous to high-grade flour, such as that produced in Canada and the United States, than to high-grade wheat (other than *Triticum durum*). Also, high-grade flour, including that from Canada, stands a better chance of selling in competition with the lower-grade product from abroad. On the other hand, the cheaper varieties of wheat, despite their somewhat disadvantageous position with respect to tariff, will apparently continue to find their way into Palestine in preference to high-grade hard wheats, unless the latter are quoted at favourable prices, as has been the case this year for wheat from Canada. Further, the sales possibilities for the Canadian product depend largely on the question of price as compared with that for wheat from nearby markets, particularly Iraq. In selling flour, the competition to be met by Canada is from the United States.

WHEAT AND FLOUR TRADE IN THE LEVANT STATES UNDER FRENCH MANDATE

HENRI TURCOT, CANADIAN TRADE COMMISSIONER

(One hectare equals 2.47 acres; one quintal is equal to 220 pounds)

Cairo, November 4, 1939.—The issue of all statistics by the French High Commission has been discontinued as a result of the war. It is, therefore, impossible to give full information with respect to the area sown to wheat and the wheat yield in 1939. The official figures available on wheat production for 1939, together with those for 1938, are as follows:—

Wheat Production in the Levant States

	1938		1939	
	Area Hectares	Yield Quintals	Area Hectares	Estimated Yield Quintals
Total	426,135	2,862,200	.....	.....
Syria (northern district)	110,000	500,000	245,000 ¹	2,550,000 ¹
Syria (central and southern district) ..	145,135	1,487,200	161,250	.....
Alawites (Lattakia)	53,000	305,000	79,500	636,000
Jebel Druze	48,000	120,000	.....	.....
Lebanon	70,000	450,000	.....²	350,000 ²

¹ "Northern Syria" in the 1939 figures covers the Aleppo, Euphrates, and Jezira regions. It is not clear whether the same heading in the 1938 figures covered all these regions. ² A later unofficial report puts the area sown in 1939 at 100,000 hectares and the estimated yield at 550,000 quintals.

No estimate of the quantity of flour milled annually in the Levant States under French mandate is available.

Briefly, the situation in the wheat and flour markets appears to be that stocks of wheat are ample and that flour is milled in sufficient quantities to cover the needs of the country.

All exports of wheat and flour were forbidden by Decree No. 178/LR of August 25, 1939, except that special permission is periodically given for

export of certain quantities to Palestine, in virtue of arrangements made between the two administrations.

There is no restriction on imports of wheat and flour. By Decree No. 243/LR of September 20, 1939, such imports were exempted until further notice from payment of customs duty; this measure being doubtless designed for checking the rise in prices in the internal market.

WHEAT AND FLOUR PRODUCTION IN IRAQ

HENRI TURCOT, CANADIAN TRADE COMMISSIONER

(One Iraq dinar is equal to £1 sterling)

Cairo, December 2, 1939.—Iraq is predominantly an agricultural and pastoral country. Wheat, barley and dates are the three chief crops.

WHEAT PRODUCTION

The principal wheat growing centres in Iraq are the northern area, Tigris central area, and Euphrates central area. In the northern districts a hard wheat called "Maniyah" is grown; in the central and southern districts an "Ajiba" wheat (Punjab seed) has been introduced. Mixed Iraqi wheat with many impurities, however, is most widely grown. The following eight varieties of wheat are found in the north, which is the major area of production: Maniyah, Ajiba, Qandehariyah, Kurdiyah, Sinn-el-Jamal, Hamainah, Samakiyah Khasnah, and Kurukah Khasnah.

The area and production of the wheat crop of Iraq for 1935 to 1938 are officially estimated as follows:—

	Area	Metric Tons
1935	2,250,000 donums	300,000
1936	3,000,000 donums	535,000
1937	3,250,000 donums	580,000
1938	1,800,000 acres	600,000

(A donum, the local unit of measure, is equal to 60 per cent of an acre.)

WHEAT EXPORTS AND IMPORTS

The following tables show exports of wheat from Iraq and imports of wheat into Iraq, according to official statistics, for the calendar years 1938 and 1937:—

Exports of Wheat from Iraq

	1938		1937	
	Iraq Dinars	Tons	Iraq Dinars	Tons
Total	274,544	48,125	730,791	113,161
Syria	131,347	27,666	83,616	16,404
Japan	79,803	10,128	114,490	14,771
Belgium	14,824	2,245	162,560	24,125
United Kingdom	5,653	1,125	203,620	30,601
France	4,238	847	63,167	10,340

Imports of Wheat into Iraq

	1938		1937	
	Iraq Dinars	Tons	Iraq Dinars	Tons
Total	271	56	105	18
Iran	195	43	91	16
Syria	76	13	14	2

GOVERNMENT IMPROVEMENT SCHEME

During the summer of 1939 the Iraq Government appointed a committee to devise means to bring about an improvement in the grain trade of the

country. Among the measures envisaged are the compulsory cleaning of wheat designed for export, and the erection of a series of silos (elevators) to permit of wheat being more efficiently handled or being stored when the world market position justifies a holding policy. One of the silos is to be built at the port of Basrah; the others elsewhere in the country.

It may be added that irrigation works are now being undertaken. They will have the effect of bringing important additional areas under cultivation, thus increasing considerably the agricultural production of Iraq and that of wheat in particular.

FLOUR MILLING

The Ministry of Defence owns three flour mills situated in Baghdad, Kirkuk, and Mosul, mainly for the supply of the troops stationed at those places. In addition, there are four large privately owned mills in Iraq, while small mills are to be found in Baghdad and throughout the country. Exports of flour are considerable. Imports, on the other hand, are small.

The following tables show Iraq's flour exports and imports for 1938 and 1937:—

Exports of Flour from Iraq

	1938		1937	
	Iraq Dinars	Tons	Iraq Dinars	Tons
Total	46,044	5,894	35,388	4,401
Oman, Aden, Kuwait, Bahrein, Saudi-Arabia	45,856	5,872	35,362	4,398

Imports of Flour into Iraq

	1938		1937	
	Iraq Dinars	Tons	Iraq Dinars	Tons
Total	1,419	57	1,338	51
India	685	29	716	29
United Kingdom	453	12	366	10
United States	205	10	160	7

DOMESTIC BAKING AND ALLIED TRADES

Domestic baking and allied trades are in a primitive stage of development in Iraq. Throughout the country are many small bakeries and biscuit-making establishments in which "khubus" local bread and loaves of European bread are made, no machinery and modern equipment being used.

POSSIBILITIES FOR CANADIAN WHEAT AND FLOUR

As local production of wheat and flour are adequate for the country's needs, there seem to be no possibilities for the sale of Canadian wheat and flour in Iraq.

CONSTRUCTION MATERIALS FOR THE CHILEAN GOVERNMENT

Mr. M. J. Vechsler, Canadian Trade Commissioner at Lima, Peru, advises that a corporation known as the Corporacion de Reconstruccion y Auxilio (Reconstruction and Aid Corporation) has been set up by the Chilean Government to undertake the rehabilitation of the area devastated by the earthquake of last January.

It is understood that the Corporation intends to construct some 8,000 workmen's houses of a cheap type and that it would be pleased to receive quotations from Canada on a variety of building materials. Among these may be mentioned: portland cement; iron bars; iron pipe and fittings of $\frac{3}{8}$ -inch to 1 inch; bath tubs, closets, basins, sinks, and other light-weight sanitary ware; sewer and water piping; dressed lumber (Douglas fir); and wooden doors, sashes and window frames.

If possible, it is intended to ship supplies purchased by Chilean vessels now running to New York, and quotations are required f.o.b. port of shipment

and c.i.f. Valparaiso. Mr. Vechsler recommends irrevocable letter of credit terms, but states that no exchange difficulties should be experienced since the purchases will be for a Government undertaking.

Interested firms in a position to submit quotations on the basis of the information given above should do so at once through Mr. Vechsler with whom those requiring additional details should also communicate immediately by airmail.

JAPANESE CORPORATION PROFITS

C. M. CROFT, COMMERCIAL SECRETARY

Tokyo, November 10, 1939.—According to a survey made recently by the Mitsui Gomei Kaisha into the business conditions of 1,250 of the principal financial, industrial, commercial and other business firms in Japan for the six months ended June 30, 1939, the number of those organizations which showed profits was 1,223. The gross profits amounted to 799,563,000 yen; only 27 companies under review showed losses, aggregating 982,000 yen. Thus the balance of profits of the 1,250 firms was 798,581,000 yen and, as the total paid-up capital of the firms under survey was 11,653,608,000 yen, the profits represented 13·7 per cent of capital; the profits amounted to 10·2 per cent of the aggregate subscribed capital of 15,578,849,000 yen.

The net profits for the period under review increased by 94,186,000 yen or 13·4 per cent as compared with the first six months of 1938 and by 46,893,000 yen or 6·2 per cent as against the six months ended December 31, 1938. The percentage of net profit on the basis of the paid-up capital was 13·7 for the six months under survey as compared with 13·2 for the corresponding six months of 1938 and 13·4 per cent for the last six months of 1938. The total amount of dividends for the first six months of 1939 was 505,014,000 yen as compared with 457,651,000 yen for the relative period of 1938 and 484,643,000 yen for the second half of 1938. The dividend rate for the period under review was equivalent to 8·6 per cent per annum, a slight advance of 0·1 per cent over the rate for the first half of 1938 and the same as that for the second half of 1938.

The reserves held during the half-year period of 1939 amounted to 254,569,000 yen, an increase of 35,696,000 yen over the corresponding period of 1938 and of 18,183,000 yen over the second half of 1938. The reserves amounted to 31·9 per cent, 31 per cent, and 31·4 per cent, respectively, of the net profits during each of the six-month periods concerned.

The number of firms which showed losses in their operations, namely 27, was a decrease of 11 as against the corresponding six months of 1938 and of 13 as compared with the second half of 1938. The amount of the losses reported was 526,000 yen less than in the first half of 1938 and 1,046,000 yen below those in the six months ended December 31, 1938. There were 51 corporations which declared no dividends during the period under survey, a decline of 16 as compared with the same period of last year and 9 below the number for the immediately preceding six months.

PROFITS BY INDUSTRIES

A general review of the results of the business activities of the 1,250 firms during the first half of 1939 showed that the progress which has been made by industry as a whole resulted largely from the expansion in industries connected with the current wartime situation in the Orient; furthermore many peace-time industries have diverted some of their activities to wartime work. The industries which may be classed as auxiliary to the wartime industries have also made progress. On the other hand the general manufacturing industries not connected with wartime activities have experienced difficulties because of

shortage of raw materials and supplies and of labour. The cost of production has increased, while the price control measures have prevented any substantial increase in selling prices; in addition the production and consumption of many commodities have been subjected to control.

The organizations in the category of "heavy industries" which showed the greatest expansion were those engaged in the production of electric and other machinery and of machine tools, followed by shipbuilding and car-foundry industries. Although the iron and steel, copper, and other metal industries were favourably affected by the current boom, their profits were curtailed by rigid government control over the production for domestic use and over the selling prices of manufactured goods. Although there was an increased demand for metals and coal, the mining industry made practically no financial progress, also because of the strict control of the selling prices while the cost of production increased.

The chemical industries as a whole continued to earn more profits than in the past, as they benefited by the existing boom. Of the fibre industries, wool and hemp showed the most satisfactory results because of the activity of wartime industry in general; spinning, weaving and artificial silk industries showed only slight increases. Of the food industries, sugar refining and flour milling benefited by increased sales, both domestic and export, of sugar and by some increase in the selling price of flour; the brewing and distilling industries expanded substantially despite the increased cost of production, this expansion being due to larger seasonal demand and by increased exports, particularly to China.

In the hide and leather industry the percentage of profit was the highest of any recorded. Although the consumption of papers of various kinds increased, this was balanced by the increased cost of production, with the result that there was but little expansion in the industry. The general domestic consumption of cement was offset by the increased requirements of the wartime industries and by larger exports to Manchuria and China, and the cement industry was able to retain its previous position.

With respect to commercial circles, those corporations operating in foreign trade and stock exchange transactions showed increased profits, while bourses, particularly commercial exchanges, showed evidence of a slump. The real estate business, although inactive in general, showed gradual improvement.

In the section of public utilities, electric light and power, and gas industries earned profits almost equal to those during the second half of 1938. The increased profits of railways and tramways is to be credited chiefly to a recovery of the business conditions of local lines. The operation of shipping interests showed increased profits due to heavy movements of cargo in the near-sea services, although there was a decline in traffic on deep-sea routes.

The warehousing business showed some improvement as the stock of commodities in warehouses expanded. Those companies interested in rubber plantations enjoyed firm markets. Generally speaking, all classes of industry under the classification of "miscellaneous" experienced good conditions. The newspaper publishing and amusement companies showed a remarkable improvement, resulting from the increased money in circulation. The banks increased their profits largely as the result of an active demand for funds by wartime industries and also because of a marked increase in the receipts of coupons on government bonds held by the Bank of Japan. Trust companies also improved their position following the flotation of bonds, debentures and other securities.

A survey was also conducted into the business condition of 50 corporations, with a total paid-up capital of 180,033,455 yen, which settle their accounts annually. This further survey showed that the companies concerned had a net profit of 21,315,489 yen, which represented 11·8 per cent of the paid-up capital; this profit was an increase of 3,313,772 yen or 18·4 per cent over that for the preceding twelve months.

The business results of some 70 banks, industrial, commercial and other business companies in Korea, Formosa, Karafuto, and Kwantung Leased Territory, and other Japanese colonial territories for the six months ended June 30, 1939, were satisfactory. The aggregate paid-up capital of these corporations was 1,239,480,000 yen, while the profits during the period totalled 95,544,000 yen or 15.4 per cent of the paid-up capital. This profit was an increase of 16,982,000 yen or 21.6 per cent over that for the preceding six months and was credited chiefly to the Manchuria Heavy Industry and Development Company.

RATES OF PROFIT

The following table shows the profits realized by various sections of industry during the six months under review together with the rate of profit expressed as a percentage of the paid-up capital, the figures within parentheses being the number of companies surveyed:—

		July-Dec., 1938		Jan.-June, 1939	
		Profits 1,000 Yen	Per Cent Profit	Profits 1,000 Yen	Per Cent Profit
Banking	(250)	81,262	12.7	84,964	12.9
Trust	(28)	5,454	14.8	5,476	14.9
Fibre industries	(120)	73,440	14.7	76,687	15.3
Food industries	(30)	18,154	17.6	19,965	19.1
Hide and leather	(4)	1,588	32.8	1,799	37.1
Paper-making	(24)	21,803	15.5	21,947	15.5
Ceramic industries	(45)	14,294	11.9	15,546	12.3
Chemical industries	(65)	51,793	14.6	57,822	15.2
Metal industries	(45)	97,983	21.8	99,060	20.1
Shipbuilding and car foundry	(15)	23,964	14.7	27,697	16.1
Machinery and tool-making	(120)	71,758	19.3	84,864	20.2
Mining	(40)	65,526	16.2	65,610	14.6
Printing	(10)	1,448	14.3	1,418	13.8
Commerce	(60)	33,740	18.7	37,386	20.5
Electric light and power	(75)	93,297	8.6	93,886	8.6
Gas	(55)	12,665	10.4	13,326	10.6
Transportation	(126)	49,124	9.2	54,202	10.0
Warehouse	(20)	2,043	4.7	2,470	5.6
Rubber plantation	(8)	1,673	9.3	1,886	10.4
Miscellaneous	(55)	22,183	11.0	24,130	11.7
Total and general average	(1,250)	751,688	13.4	798,581	13.7

RATES OF DIVIDEND

The following table shows the average rates of dividends (divided profits) for the various industries under review for the first half of 1939 as compared with the second half of 1938, the basis being the paid-up capital; also shown in the table are the "undivided profits" or the reserves held expressed as a percentage of the net profits of the industries:—

		July-Dec., 1938		Jan.-June, 1939	
		Divided Profits Per Cent	Undivided Profits Per Cent	Divided Profits Per Cent	Undivided Profits Per Cent
Banking	(250)	7.1	38.8	7.0	41.2
Trust	(28)	5.5	59.2	5.6	58.2
Fibre industries	(120)	11.1	22.0	11.4	23.1
Food industries	(30)	10.7	34.2	10.6	39.9
Hide and leather	(4)	9.0	69.2	9.1	72.6
Paper-making	(24)	9.8	33.7	9.7	34.1
Ceramic industries	(45)	8.8	22.0	9.2	20.8
Chemical industries	(65)	10.0	27.8	10.2	29.3
Metal industries	(45)	8.6	58.1	8.7	54.2
Shipbuilding and car foundry	(15)	7.5	45.7	7.4	50.6
Machinery and tool-making industries	(120)	10.4	36.0	9.9	44.7
Mining	(40)	10.3	32.9	10.3	22.3
Printing	(10)	8.4	33.1	8.4	30.4
Commerce	(60)	12.7	26.9	12.1	15.1
Electric light and power	(75)	7.6	8.8	7.8	8.8
Gas	(55)	8.5	13.4	8.5	17.8
Transportation	(126)	6.8	23.1	7.0	29.2
Warehouse	(20)	3.0	29.4	3.5	30.4
Rubber plantation	(8)	7.7	12.2	8.0	17.9
Miscellaneous	(55)	7.9	22.4	8.2	24.8
General average	(1,250)	8.6	31.4	8.6	31.9

TARIFF CHANGES AND TRADE REGULATIONS

United Kingdom

IMPORT LICENSING REGULATIONS

APRICOT AND PEACH KERNELS

The Chief Canadian Trade Commissioner in London writes that the Board of Trade announce that they have issued an open general licence authorizing as from December 21, 1939, until further notice, the importation into the United Kingdom of apricot and peach kernels if consigned from any part of the British Empire except Palestine and Trans-Jordan.

The notice appearing in *Commercial Intelligence Journal* No. 1871 (December 9, 1939) to the effect that no licences would be issued for apricot and peach kernels now applies to imports from foreign countries only.

STRAWBOARD

Mr. Frederic Hudd, Chief Canadian Trade Commissioner in the United Kingdom, in a cablegram of January 16, advises that a British Board of Trade Order prohibits the importation into the United Kingdom, except under licence, of strawboard (not including corrugated board) lined or not lined, effective as from January 22, licences not being required for goods sent to the United Kingdom before that date. The purpose of the order, the cablegram states, is not to restrict supplies but to enable the Paper Controller to purchase and use material advantageously.

Australia

CATEGORIES IN IMPORT LICENSING SYSTEM

With reference to the article in *Commercial Intelligence Journal* No. 1876 (January 13, 1940) on the Australian import licensing system, applicable to non-sterling countries, it will be noted from paragraph 18, on page 72, that for administration of licences, imports are classified according to the degree of importance attached to different goods from the viewpoint of Australian requirements as: Category A—very important; B—important; C—less important; D—unimportant. For the first two months following December 1, 1939, when the licensing system went into force, goods in Categories A, B, and C, are being licensed for importation from non-sterling countries up to one-sixth of the imports of similar goods from non-sterling countries by the same importer during the Australian fiscal year ended June 30, 1939, i.e., approximately normal importations. Goods in Category D, except for shipments already en route on December 1, or goods complying with certain rules as to having been ordered before November 1 or December 1, are prohibited.

With regard to goods which have in the main comprised Canada's exports to Australia, the allocation to these different categories is shown in the appended lists compiled from Australian statistics of the importations of Canadian goods during the trade year ended June 30, 1938 (the latest available). The articles have been arranged generally in the order used in the Australian customs tariff.

GOODS IN CATEGORY A—"VERY IMPORTANT"

Aluminium in blocks, cubes, ingots, pigs, scrap, granulated, plates, sheets, strips, and wire; nickel in blocks, cubes, ingots, pigs, scrap, granulated, and plain angles, bars, plates, pipes, rods, strips, tees, tubes and sheets; needles for knitting machines; machines, as specified, for lumber sawing, planing and other wood-working, paper-making, and metal-working; steam turbine engines; electric generators for use with steam or water-driven turbines; electrical measuring and recording instruments; covered cable and wire; axes, hatchets, adzes, and similar tools, hacksaw blades, files, rasps, and other tools (under customs by-laws); abrasive wheels; calcium cyanide; cyanides of potassium and sodium; acetic acid anhydride; crude vegetable drugs; crude rubber; wood pulp; newsprinting paper

in rolls not less than 10 inches wide, or in sheets not less than 20x25 inches; aeroplane parts and materials; waterproofed canvas and duck; bran bags and sacks; sewing cottons (as specified); surgical lint, gauzes and bandages (as specified).

GOODS IN CATEGORY B—"IMPORTANT"

Crude asbestos; cotton piece-goods, grey unbleached, printed, dyed, or coloured, tapestry, flannelette and the like; silk and artificial silk piece-goods not knitted; sewing and embroidery silks; Britannia metal, bronze, german silver and other non-ferrous alloys (except brass) in blocks, ingots, pigs, scrap, angles, bars, channels, or rods; brass in plain strips; copper in angles, bars, rods, strips, tees, plates, sheets, pipes, tubes and wire; woven wire for paper machines; motor-car engines imported separately; air compressors exceeding 1,750 cubic feet per minute; direct current electric motors for gearless lifts if over 50 h.p., for other purposes if over 20 kw.; lightning arresters for powerhouses; cream separators; inserted tooth circular saws; coat-cutting machines; scientific measuring and recording instruments; carbon blocks and manufactures; bronzing and metal powders; graphite and plumbago in bulk; bone, ivory, and vegetable blacks; seal oil; logs, not sawn; undressed Douglas fir, 12x6 inches and over; undressed redwood; undressed Western red cedar less than 12x6 inches; undressed Douglas fir 12x6 inches and over for underground mining; timber, undressed, not less than 4x3 inches, for making boxes; timber, undressed or partly dressed, and cut to size, for making boxes; undressed staves; watch and clock springs; printing paper (except newsprint) in rolls not less than 10 inches, or in sheets not less than 20x25 inches; writing and typewriting paper; true vegetable parchment; fruit wrapping paper; valves for pneumatic tires; cyclometers; speedometers; roller or ball-bearing axles and axle boxes; celluloid sheets; sensitized films for kinematograph cameras.

GOODS IN CATEGORY C—"LESS IMPORTANT"

Spirituous essences and extracts; furs, hides and skins (except rabbit) dressed; aluminium angles, rods and tees, plain; water bore casings; reapers and binders, and knife sections and ledger plates therefor; stump jump ploughs; metal parts for harvesters; fertilizer, seed and grain drills; discs for agricultural implements; disc cultivators; mowers; steam-engine indicators and counters; cash registers; adding and computing machines; scales and weighing machines; typewriters and parts; mechanical stokers; lifting jacks; rock-boring machines; ore-dressing machines; unspecified mining machinery; air compressors not exceeding 1,750 cu. ft. per minute; unspecified motive power machinery; locomotive engines; petrol engines up to 12 h.p.; boilers except water-tube; cranes and hoists except hand-operated; electric regulating, controlling and starting apparatus; high tension ignition coils; unspecified lightning arresters; unspecified electric switches, fuses, cutouts, choke coils and relays; bolts, nuts and metal washers; rivets; brasswork; bronzework and gunmetal work for engineering, plumbing, etc.; unspecified aluminiumware; plated spoons, forks and knife sharpeners; smoothing irons except electric; metal lamps and lanterns; dynamo-electric machines, alternating current, induction type, up to 150 h.p.; direct current machines for gearless lifts up to 50 h.p., for other purposes up to 20 kw.; unspecified dynamo-electric machines; electrical earthenware including insulators; saws, except inserted tooth circular saws; bent, bevelled, enamelled, embossed, and metal-framed glass; spectacles and magnifying glasses; plaster of paris; cements, adhesives, mucilage, belting compounds; calcium chloride; proprietary medicines; undressed Douglas fir less than 12x10 inches; undressed timber for boxes, cut to size; undressed timber less than 7 ft. 6 in. x 10½ in. x 2½ in. for doors; timber bent or cut to shape; unspecified dressed or moulded timber; veneers; unspecified undressed timber 7x2½ inches up to 12x10 inches; wood sashes, frames, screens, rakes, grain shovels; wood tool-handles except axe, adze, hammer over 24 in., mattock and pick; clocks and clock movements except wholly or partly of wood; apparel and boot elastics; rubber thread and syringes; belting of leather, rubber, canvas, or composition; blotting paper; unlined strawboard; paper boards except millboards and strawboard; wrapping and felt paper; wallpaper; surface-coated paper; electrical insulating paper and boards; paper cones, tubes, reels, spools, for spinning and weaving; tissue paper for patterns; unspecified stationery and paper manufactures; fashion plates; price lists, catalogues, circulars, show cards, tickets and similar printed matter; books, music, periodicals, newspapers; pencils, fountain and other pens; watches except wristlet watches; asbestos packing; engine packings; piano actions in parts; horns and reflectors for motor vehicles and bicycles; gears for motor vehicles, except railway and motor cycles; silk and rayon yarns, not staple fibre; imitation gut; surgical belts, trusses and the like; welding compounds.

GOODS IN CATEGORY D—"UNIMPORTANT" (PROHIBITED)

Biscuits; asparagus tips; jams and jellies; jelly crystals and jelly powders; milk and cream, dried or in powdered form; salt (except rock); toilet soap; unspecified knitted or lock-stitched piece-goods; felt piece-goods (except slipper upper felt); waterproofed piece-goods; oil baize; apparel, including overcoats, suits, dresses, blouses, skirts, underwear, corsets, shirts, collars, etc.; bathing caps of all materials; felt hats, hoods and capelines; socks and stockings of all kinds; blankets and blanketing; roof and floor coverings of felt or textile, impregnated; linoleums and similar floor coverings; unspecified articles of felt;

cotton wool and wadding not medicated; canvas and duck not waterproofed; iron and steel angles, rods, tees; iron and steel wire (except 15 or finer gauge), including fencing; galvanized hoop 12 gauge and thicker; wrought iron pipe not over 6 inches diameter; cast iron pipe fittings less than 2 inches diameter; lawnmowers of all kinds; corn shellers and huskers; ploughs and parts of (except stump jump); clothes washing machines and wringers; refrigerators and refrigerator parts; piston pins, rings, and valves for internal combustion engines; electric stoves, ranges, grillers, radiators, toasters, kettles, and elements for; electric fans, floor polishers, ironers, dish washers, and hair dryers; electroliers, gasaliers, brackets, lamps; gas cooking and heating appliances; wireless receiving sets and most parts; sparking plugs; nails, brads, tacks; unspecified platedware; hand fire extinguishers; incandescent mantles; mortice and rim locks; metal kitchen tools; slide (zipper) fasteners; hooks and eyes for apparel; hair pins; shovels; vermin traps; varnishes; linseed oil; bricks and fireclay manufactures; naphtha; barium chloride; perfumery and toilet preparations; plywood; shingles; unattached wood handles (axe, adze, hammer over 24 inches, mattock and pick); oars; furniture of wood; picture frames; fancy goods, gold or silver card and cigarette cases, serviette rings, etc.; rolled gold and imitation jewellery; hides and skins; goloshes, rubber sand boots and shoes and plimsolls; boots and shoes of leather or textile; floor coverings and mats of rubber; rubber hose up to 1 inch diameter; rubber gloves; rubber hot water bags; cellulose transparent paper; gummed paper; carbon paper; playing cards; brake and transmission linings; assembled motor-vehicle chassis; motor-vehicle parts including shackle bolts and assemblies, spring hangers, king pins, tie-rod pins, tie-rod ball pins, tie-rod ball studs, U bolts, handles for doors, door locks and remote controls, other door-fastening devices, window regulators and handles for, wind-screen wipers, bumper bars; asbestos pipe and boiler coverings; hand bags and purses, except metal; cases for jewellery, musical instruments, collars, gloves, soap; carpet sweepers, brooms, mops; electric household bag-type vacuum cleaners valued at £4 10s. or less; tooth, scrubbing, paint and varnish brushes; cordage, rope, and twine of cotton, manila, sisal and similar materials; cartridges; wall and ceiling parts and decorations.

ARTICLES IN MORE THAN ONE CATEGORY

In some cases the schedule shows an item as coming under two or more categories. This is stated to indicate that the same degree of importance is not attached to all articles covered by the item and that a subdivision may be made later. For the time being each such item is given a specific classification under which licence may be issued.

Abrasive papers, other than glass and flint papers, are shown as 50 per cent in category A and 50 per cent in category B, but any goods under that item are being admitted for the present licensing period under category A licences. Electric valves other than for wireless receivers are 50 per cent in category A and 50 per cent in category B, but all are at present admitted under category B licences.

Unassembled motor-truck chassis, and certain glass lenses, are each 50 per cent in category B and 50 per cent in category C, but licensed as under B.

The following goods are each 50 per cent in category C and 50 per cent in category D, but licensed for the present under C, viz.: Whisky in bulk; sausage casings; fish, fresh, or preserved in tins or other airtight vessels; iron and steel wire No. 15 gauge or finer; motor-vehicle shock absorbers; valves for wireless receivers; wristlet watches and cases therefor (not combined); gloves, other than rubber, except harvesting, driving, gardening; unspecified table covers, sheets, bedspreads; unspecified articles made up from textiles; unspecified trimmings and ornaments for apparel; toys; cameras, other than for commercial use.

Unassembled motor-car chassis, also velvets, velveteens and plush (with some exceptions) are 25 per cent in category B, 50 per cent in C, and 25 per cent in D, but licences are being issued as under C.

IMPORT LICENSING OF NEWSPRINT

In *Commercial Intelligence Journal* No. 1876 (January 13, 1940), page 74, reference was made to a cablegram from the Canadian Trade Commissioner in Sydney, dated January 4, that Australian importers could secure licences for the current licensing period (December-January) for the importation from non-sterling countries of abrasive paper included in category A of the import licensing schedule on the basis of imports from the United Kingdom during the financial year (ended June 30, 1939). On January 16 the Trade Commissioner cabled: "Referring to my telegram of 4th, *newsprint* now to be treated same as abrasive."

Bermuda

TARIFF AMENDMENTS

Some Bermuda tariff changes are contained in a Customs Tariff Act passed on December 20, enacting the duties to be in force during 1940. There

is a new rate, without preference, of 2d. per lb. on cauliflower from January to May; and a new rate of 1d. per lb., without preference, on pumpkins from June to December; also new rates of 20 per cent ad valorem, British preferential, and 22½ per cent, general tariff, on frosted vegetables from January to April. On all the foregoing the previous rates were 10 per cent, British preferential, and 12½ per cent general tariff.

The specific rate under the British preferential and general tariffs on arrack, gin, peppermint water, shrub, whisky and unspecified potable spirits is increased from 11s. per gal. to 13s. per gal., and on brandy and cordials from 11s. per gal. to 16s. per gal. There is, in addition, a duty of 25 per cent ad valorem. The surtax remains at 22½ per cent of duty, British preferential, and 25 per cent, general tariff.

The duty on cigarettes was increased by an additional surtax of 2s. 9d. per 1,000, under both the British preferential and general tariffs.

The British preferential tariff applies to Canada and other British Empire countries, and the general tariff to all countries outside the British Empire.

British Honduras

CORNMEAL AND CORN GRITS UNDER LICENCE

Mr. F. W. Fraser, Canadian Trade Commissioner at Kingston, Jamaica, reports that the Government of British Honduras, as a war measure, prohibited as from January 1, 1940, the importation into that Colony of cornmeal and corn grits except under licence granted by the Colonial Secretary.

Cyprus

WHEAT DUTIES REDUCED

Mr. Henri Tureot, Canadian Trade Commissioner at Cairo, reports that, effective December 23, 1939, Cyprus reduced the general tariff on wheat from £5 to £1 10s. per ton (2,240 pounds), and the preferential tariff (applicable to Canada) from £2 to £1 5s. per ton. The rates prior to March 17, 1939, were £2 general tariff and £1 preferential.

United States

AGREEMENT PERMITTING THE EXTENSION OF TARIFF REDUCTION ON CANADIAN SEED POTATOES IN FORCE

With reference to the article in *Commercial Intelligence Journal* No. 1875 (January 6, 1940), page 36, providing for extension throughout the year of the maximum tariff reduction on Canadian seed potatoes entering the United States, a United States Treasury Decision has been published announcing that proclamations of the President of the United States and the President of Cuba were exchanged at Havana on December 22, 1939, bringing into force next day the United States-Cuba supplementary trade agreement which affords the means of extending the tariff reduction to Canadian seed potatoes. As indicated in the final paragraph of the article referred to in the *Commercial Intelligence Journal*, exchange of proclamations was necessary to bring the agreement into force.

Dominican Republic

DOMINICAN-FRENCH TREATY SUSPENDED

Writing under date January 10, Mr. C. S. Bissett, Canadian Trade Commissioner at Havana, advises that confirmation has just been received that the Dominican-French Trade Treaty signed on September 4, 1936, has been suspended with effect as from December 15, 1939.

The principal disadvantage of that treaty to Canada was the exemption from the payment of the internal revenue tax of 5 cents per kilogram accorded to dried and salted codfish and of 4 cents per kilogram accorded to fish in brine when these originate in France and French colonies, protectorates and

mandated territories. The result of this provision in the treaty was the almost complete loss to St. Pierre and Miquelon of Canada's substantial trade in these fish products. By virtue of the Dominican-United States trade treaty the latter country also enjoyed these exemptions, also now suspended. Henceforth all countries will be on the same tariff and revenue tax basis, namely, \$2.25 customs duty per 100 kilos net weight plus the above internal revenue tax of 5 cents per kilo net weight for dried and salted fish and, secondly, \$2 customs duty per 100 kilos gross weight plus the internal revenue tax of 4 cents per kilo gross weight for fish in brine. One Dominican dollar is equal to one United States dollar.

Netherlands Indies

IMPORT QUOTA RESTRICTIONS

Mr. J. L. Mutter, Canadian Trade Commissioner at Singapore, has supplied the Department with a list of 104 items for which quota control of imports into Netherlands India has been extended into 1940. Certificates of origin are required for all goods subject to quota restriction.

The quantity of motor car and motor cycle outer covers that may be imported during the year ending October 2, 1940, is fixed at 2,138,812 kilos gross (previous quota 1,702,520 kilos gross), and of inner tubes at 231,900 kilos gross (previous quota 194,700 kilos gross). The quota on imports of packing paper for the year ending November 12, 1940, is 8,500 metric tons as in the previous year. Other goods on which quotas have been extended include woven materials of cotton, rayon and wool, and made-up articles of those materials, electric bulbs, sanitary wares, bottled beer and portland cement.

Mr. Mutter advises that quota control of 20 items formerly unrestricted was established during 1939. The goods include crockeries of all types, hoop iron, reinforcing bars, tubes and fittings of iron or iron alloy, galvanized iron sheetings, iron wire, screws and spikes, iron screw nails and chandlery wares, copper wire, copper and bronze sheets or slabs and builders' hardware of these materials, zinc alloys in bars and sheets, and soaps.

SURTAX ON DUTIES CONTINUED

With reference to the article in *Commercial Intelligence Journal* No. 1827 (February 4, 1939), page 170, Mr. J. L. Mutter, Canadian Trade Commissioner at Singapore, advises that a memorandum dated October 18, 1939, by the Chief Inspector of Import-Export Duties and Excise, Batavia, Netherlands Indies, stated that no alteration to the Netherlands Indies scheme of surtaxes was anticipated prior to July 1, 1940.

A 50 per cent surtax, therefore, is continued on all products entering Netherlands India with the following exceptions: (a) 25 per cent surcharge on medicines having therapeutic value in the treatment of malaria, including specifically arsenobenzol derivatives, chemical products, colouring materials made from tar, medicinal soap, smoothing irons, geysers (water heaters), cloves and kettles (unless further legal provisions are made the surcharge on these items will become 50 per cent as from July 1, 1940); (b) exemption from surtaxes will continue to apply on wheat flour in bags, fresh fish, spices, gambir, wine, distilled spirits, methyl alcohol, alcoholic fruit drinks, fabrics, yarns, cotton tissues, non-mercerized cotton fabrics, vests, pants and shirts, underclothing and blankets.

EXCHANGE CONDITIONS IN FOREIGN COUNTRIES

Cuba, Dominican Republic, Puerto Rico, and Haiti

C. S. BISSETT, CANADIAN TRADE COMMISSIONER

Havana, December 30, 1939.—In none of these four countries are there at present any official exchange restrictions affecting the collection of bills drawn on importers therein by persons abroad.

FOREIGN EXCHANGE QUOTATIONS: WEEK ENDING JAN. 15, 1940

The Foreign Exchange Division of the Bank of Canada has furnished the following statement of the nominal closing quotations for all the principal exchanges for the week ending Monday, January 15, 1940, and for the week ending Monday, January 8, 1940, with the official bank rate:—

Country	Unit	Present or Former Gold Parity	Nominal Quotations in Montreal Week ending Jan. 8	Nominal Quotations in Montreal Week ending Jan. 15	Official Bank Rate
Belgium	Belga	.1001	\$.1859	\$.1864	2½
Bulgaria	Lev	.0072	.....	.....	—
Denmark	Krone	.2680	.2142	.2143	5½
Finland	Markka	.0252	.0202	.0202	4
France	Franc	.0392	.0247	.0249	2
Great Britain	Pound	4.8666			
	Buying		4.4300	4.4300	2
	Selling		4.4700	4.4700	—
Greece	Drachma	.0130	.0079	.0079	6
Holland	Guilder	.4020	.5912	.5912	3
Hungary	Pengo	.1749	.2942	.2942	4
	Unofficial		.1954	.1953	—
Italy	Lira	.0526	.0560	.0559	4½
Yugoslavia	Dinar	.0176	.0251	.0251	5
Norway	Krone	.2680	.2520	.2520	4½
Portugal	Escudo	.0442	.0401	.0403	4-4½
Roumania	Leu	.0060	.0079	.0078	3½
Spain	Peseta	.1930	.1104	.1104	5
Sweden	Krona	.2680	.2642	.2643	2½
Switzerland	Franc	.1930	.2489	.2489	1½
United States	Dollar	1.0000			
	Buying		1.1000	1.1000	1
	Selling		1.1100	1.1100	—
Mexico	Peso	.4985	.1850	.1848	3
Cuba	Peso	1.0000			—
Guadeloupe	Franc	.0392	.0247	.0249	—
Jamaica	Pound	4.8666	4.4800	4.4800	—
Martinique	Franc	.0392	.0247	.0249	—
Other British West Indies	Dollar	1.0138	.9313	.9313	—
Argentina	Peso (Paper)	.4245	.3304	.3304	3½
	Free		.2491	.2519	—
Brazil	Milreis (Paper)	.1196	.0673	.0673	—
	Free		.0556	.0557	—
British Guiana	Dollar	1.0138	.9313	.9313	—
Chile	Peso	.1217	.0574	.0574	3-4½
	Export		.0444	.0444	—
Colombia	Peso	.9733	.6351	.6353	4
Peru	Sol	.2800	.....	.....	—
Venezuela	Bolivar	.1930	.....	.....	—
Uruguay	Peso	1.0342			—
	Controlled		.7307	.7307	—
	Uncontrolled		.4029	.4025	—
South Africa	Pound	4.8666	4.4600	4.4600	3½
Egypt	Pound (100 Piastres)	4.9431	4.5800	4.5800	—
China (Shanghai)	Dollar	.....	.0880	.0880	—
Hongkong	Dollar	.....	.2716	.2739	—
India	Rupee	.3650	.3363	.3363	3
Japan	Yen	.4985	.2602	.2602	3.29
Java	Guilder	.4020	.....	.....	—
Thailand (Siam)	Baht (Tical)	.4424	.4010	.4040	—
Straits Settlements	Dollar	.5678	.5123	.5173	—
Australia	Pound	4.8666	3.5800	3.5800	3
New Zealand	Pound	4.8666	3.5900	3.5900	4

The Dominion Bureau of Statistics has supplied the following note:—

Sterling free rates were stronger at New York during the week ended January 15, finishing 2½ cents higher at \$3.97½. Canadian funds closed ⅞ cent higher at 88½ cents, but were fractionally below the week's peak of 88⅝ cents, touched on the 13th. On January 8 British authorities announced further restrictions on capital transfers, while on the same date the Bank of England set new official rates for the pound sterling at various international banking centres. In terms of the United States dollar, buying and selling rates were set at \$4.02½-\$4.03½, while in Canada rates remained as formerly. At Montreal French francs closed 2 points higher at 2.50 cents. Among the neutrals, rates were strong until the final day, when increased international tension brought swift declines. Belgas closed at 18.64 cents and florins at 59.12 cents. Daily buying and selling rates set by the Canadian Foreign Exchange Control Board for sterling and United States funds remained unaltered at \$4.43-\$4.47 and \$1.10-\$1.11, respectively.

TRADE OPPORTUNITIES ABROAD FOR CANADIAN PRODUCTS

The Trade Inquiries for Canadian products published below have been received since the publication of the last issue of the *Commercial Intelligence Journal*. Interested exporters may secure the names and addresses of the firms making these inquiries, together with further details regarding the commodities required, on application to the Director, Commercial Intelligence Branch, Department of Trade and Commerce, Ottawa, or—

Secretary, Board of Trade—

Saint John, N.B.
Halifax, N.S.
Quebec, P.Q.
Montreal, P.Q.
Toronto, Ont.
Chatham, Ont.

Guelph, Ont.
Kitchener, Ont.
Brantford, Ont.
Stratford, Ont.
Woodstock, Ont.
St. Mary's, Ont.

Portage la Prairie, Man.
St. Boniface, Man.
Winnipeg, Man.
Vancouver, B.C.
New Westminster, B.C.

Secretary, Chamber of Commerce—

Sherbrooke, P.Q.
Kingston, Ont.
Oshawa, Ont.
Belleville, Ont.

Peterborough, Ont.
London, Ont.
St. Catharines, Ont.
Hamilton, Ont.

Victoria, B.C.
Prince Rupert, B.C.

Windsor Chamber of Commerce, Windsor, Ont.

Commercial Intelligence Service, Department of Municipal Affairs, Trade and Commerce, Quebec.

Department of Industry, Brantford, Ont.

Industrial Commissioner, Stratford, Ont.

La Chambre de Commerce de Montréal, 25 St. James E., Montreal, P.Q.

Secretary, Canadian Manufacturers Association—

Toronto, Ont.
Montreal, P.Q.

Winnipeg, Man.
Edmonton, Alta.

Vancouver, B.C.
Victoria, B.C.

Director, Bureau of Industrial and Trade Extension, Department of Trade and Industry, Victoria, B.C.

Canadian exporters should, for follow-up purposes, transmit a copy of any reply sent in response to a Trade Inquiry to the Trade Commissioner in the territory from which the inquiry emanated.

Commodity	No.	Location of Inquirer	Purchase or Agency
Miscellaneous—			
Hosiery, Silk.....	41	Port Louis, Mauritius.....	Agency.
Hosiery, Cotton.....	42	Port au Prince, Haiti.....	Agency.
Elastics.....	43	Leicester, England.....	Purchase.
Cotton Duck (Waterproofed)....	44	London, England.....	Agency.
Flax Canvas.....	45	Adelaide, Australia.....	Purchase.
Maple Skewers.....	46	Dublin, Eire.....	Purchase.
Chairs, Bentwood, Oak Dining-room, and Saw-cut.....	47	Dublin, Eire.....	Purchase.
Bolts, Screws, Nuts and Washers.	48	Cape Town, South Africa..	Agency.
Steel Piping and Tubing.....	49	Lima, Peru.....	Agency.
Barbed Wire.....	50	Santiago, Chile.....	Agency.
Metal Window-frames.....	51	Singapore, Straits Settlements.....	Purchase.

COMMERCIAL INTELLIGENCE SERVICE

L. D. WILGRESS, *Director*

Argentina

J. A. STRONG, B. Mitre 430, Buenos Aires (1). (Territory includes Uruguay.) *Cable address, Canadian.*

Australia

Sydney: L. M. COSGRAVE. Address for letters—P.O. Box No. 3952V. Office—City Mutual Life Building, Hunter and Bligh Streets. (Territory includes the Australian Capital Territory, New South Wales, Queensland, Northern Territory and Dependencies.) *Cable address, Canadian.*

Melbourne: FREDERICK PALMER, 83 William Street, Melbourne, C.I. (Territory includes States of Victoria, South Australia, Western Australia, and Tasmania.) *Cable address, Canadian.*

Belgium and Luxemburg

YVES LAMONTAGNE, Commercial Attaché, Shell Building, 60 rue Ravenstein, Brussels. *Cable address, Canadian.*

Brazil

L. S. GLASS. Address for letters—Caixa Postal 2164, Rio de Janeiro. Office—Ed. Da. "A. Noite," Sala 802, Praca Maua. *Cable address, Canadian.*

British India

PAUL SYKES. Address for letters—P.O. Box 2003, Calcutta. Office—23 Esplanade Mansions, Government Place East, Calcutta. (Territory includes Burma and Ceylon.) *Cable address, Canadian.*

British Malaya

J. L. MUTTER, Union Building, Singapore, Straits Settlements. (Territory includes the Straits Settlements, the Federated Malay States, the Unfederated Malay States, Thailand, British Borneo, and Netherlands India.) *Cable address, Canadian.*

British West Indies

Trinidad: M. B. PALMER. Address for letters—P.O. Box 125, Port of Spain. Office—Barclay's Bank Building. (Territory includes Barbados, Windward and Leeward Islands, and British Guiana.) *Cable address, Canadian.*

Jamaica: F. W. FRASER, P.O. Box 225, Kingston. Office—Canadian Bank of Commerce Chambers. (Territory includes the Bahamas and British Honduras.) *Cable address, Canadian.*

China

V. E. DUCLOS. Address for letters—P.O. Box 264, Shanghai. Office—Ewo Building, 27 The Bund, Shanghai. (Territory includes Central China and North China.) *Cable address, Canadian.*

Cuba

C. S. BISSETT. Address for letters—Apartado 1945, Havana. Office—Royal Bank of Canada Building, Calle Aguiar 367, Havana. (Territory includes Haiti, the Dominican Republic, and Puerto Rico.) *Cable address, Canadian.*

Egypt

HENRI TURCOT. Address for letters—P.O. Box 1770, Cairo. Office—22 Shari Kasr el Nil, Cairo. (Territory includes the Sudan, Palestine, Cyprus, Iraq, Syria, Iran, Greece, Turkey, Bulgaria, and Roumania.) *Cable address, Canadian.*

France

HERCULE BARRÉ, Commercial Attaché, 3 rue Scribe, Paris (9). (Territory includes French Colonies in North Africa.) *Cable address, Cancomac.*

Hongkong

P. V. McLANE. Address for letters—P.O. Box 80, Hongkong. Office—Hongkong and Shanghai Bank Building, Hongkong. (Territory includes South China, the Philippines, and Indo-China.) *Cable address, Canadian.*

Ireland

JAMES CORMACK, 66 Upper O'Connell Street, Dublin, Ireland (*cable address, Canadian*); and 36 Victoria Square, Belfast, Northern Ireland.

Italy

A. B. MUDDIMAN, Via Manzoni Nr. 5, Milan (102). (Territory includes Spain, Portugal, Gibraltar, Malta, Albania, and Yugoslavia.) *Cable address, Canadian.*

CANADIAN GOVERNMENT TRADE COMMISSIONERS—*Con.*

Japan

C. M. CROFT, Commercial Secretary. Address for letters—P.O. Box 18, Akasaka Post Office, Tokyo. Office—Canadian Legation, 16 Omotecho, 3-chome, Akasakaku, Tokyo. *Cable address, Canadian.*

Mexico

R. T. YOUNG. Address for letters—Apartado Num. 126-Bis, Mexico City. Office—Edificio Banco de Londres y Mexico, Num. 30, Mexico City. (Territory includes Guatemala, Honduras, and Salvador.) *Cable address, Canadian.*

Netherlands

J. A. LANGLEY, Commercial Attaché, Coolingsingel 111b, Rotterdam. (Territory includes Switzerland.) *Cable address, Canadian.*

New Zealand

W. F. BULL. Address for letters—P.O. Box 33, Auckland. Office—Yorkshire House, Shortland Street, Auckland. (Territory includes Fiji and Western Samoa.) *Cable address, Canadian.*

Norway

RICHARD GREW, Stortingsgaten 28, Oslo. (Territory includes Sweden, Denmark, and Finland.) *Cable address, Canadian.*

Panama

H. W. BRIGHTON. Address for letters—P.O. Box 222, Panama City. Office—98 Central Avenue, Panama City. (Territory includes the Canal Zone, Venezuela, Colombia, Nicaragua, and Costa Rica.) *Cable address, Canadian.*

Peru

M. J. VECHSLER. Address for letters—Casilla 1212, Lima. Office—Edificio Boza, Carabaya 831, Plaza San Martin, Lima. (Territory includes Bolivia, Ecuador, and Chile.) *Cable address, Canadian.*

South Africa

Cape Town: J. C. MACGILLIVRAY. Address for letters—P.O. Box 683. Office—New South African Mutual Buildings, 17 Parliament Street. (Territory includes Cape Province and Southwest Africa, Natal, Tanganyika, Kenya, Uganda, Mauritius, and Madagascar.) *Cable address, Cantracom.*

Johannesburg: J. H. ENGLISH. Address for letters—P.O. Box 715. Office—Prudential Assurance Building, 92 Fox Street. (Territory includes Transvaal, Orange Free State, the Rhodesias, Portuguese East Africa, Mozambique, and Nyasaland.) *Cable address, Cantracom.*

United Kingdom

London: FREDERIC HUDD, Chief Trade Commissioner in the United Kingdom, Canada House, Trafalgar Square, S.W.1. *Cable address, Sleighing, London.*

London: H. A. SCOTT, Trade Commissioner, Canada House, Trafalgar Square, S.W.1. *Cable address, Sleighing, London.*

London: G. R. HEASMAN, Trade Commissioner, Canada House, Trafalgar Square, S.W.1. (Territory includes Home Counties, Southeastern Counties, and East Anglia.) *Cable address, Sleighing, London.*

London: W. B. GORNALL, Fruit Trade Commissioner, Aldine House, Bedford Street, Strand, W.C.2. *Cable address, Canfrucum.* (Territory—for fresh fruit only—includes United Kingdom, Norway, Denmark, Sweden, France, Holland, Belgium, and Germany.)

London: ACTING ANIMAL PRODUCTS TRADE COMMISSIONER, Canada House, Trafalgar Square, S.W.1. *Cable address, Agrilison.*

Liverpool: A. E. BRYAN, Martins Bank Building, Water Street. (Territory includes North of England, Lincolnshire, North Midlands, and North Wales.) *Cable address, Canadian.*

Bristol: E. L. MCCOLL, Northcliffe House, Colston Avenue. (Territory includes West of England, South Wales, and South Midlands.) *Cable address, Canadian.*

Glasgow: G. B. JOHNSON, 200 St. Vincent Street. (Territory covers Scotland.) *Cable address, Cantracom.*

United States

New York City: D. S. COLE, British Empire Building, Rockefeller Center. (Territory includes Bermuda.) *Cable address, Cantracom.*

Chicago: W. J. RIDDIFORD, Tribune Tower, 435 North Michigan Avenue. *Cable address, Canadian.*

Los Angeles: B. C. BUTLER, Associated Realty Building, 510 West Sixth Street.

Note.—Bentley's Second Phrase Code is used by Canadian Trade Commissioners.

Can
1

COMMERCIAL INTELLIGENCE JOURNAL

Vol. LXII

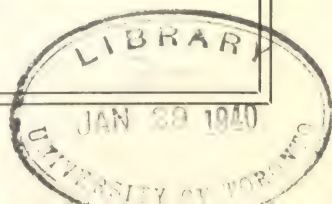
Ottawa, January 27, 1940

No. 1878



Newsprint ready for Shipment at Wolfe's Cove, Quebec

ISSUED BY AUTHORITY OF
THE HON. W. D. EULER, MINISTER OF TRADE AND COMMERCE
JAMES G. PARMELEE, DEPUTY MINISTER



CONTENTS

	Page
Mr. Brighton to Visit Colombia and Venezuela.....	113
Australian Import Control Regulations: Effect on Canadian Trade	113
Canada's Domestic Exports to the United States of Principal Commodities affected by the Canada-United States Trade Agreement: Month and Twelve Months ended December, 1938 and 1939	128
German Trade with Ireland	134
Australian Wheat and Flour	139
Lyons Spring Fair, 1940.....	139
Changed Trading Conditions in Egypt.....	140
Hydro-Electric Power Development in India	143
Commodities Permitted Entry into Argentina from Canada..	146
Wheat and Flour Trade of Ireland	148
Trade and Business Conditions in Brunei in 1938.....	151
United Kingdom Merchandise Marks Act.....	152
Imports into the United States of Products under the Quota Provisions of the Trade Agreement	152
Tariff Changes and Trade Regulations	153
Tenders Invited: Australia and New Zealand.....	156
Foreign Exchange Quotations	157
Trade Inquiries for Canadian Products.....	158
Commercial Intelligence Service	159

COMMERCIAL INTELLIGENCE JOURNAL

Issued Every Saturday by the Department of Trade and Commerce

PUBLISHED in English and French. Subscription Price for either edition: \$1 per annum in Canada (single copies 5 cents each); \$3.50 outside the Dominion (single copies 10 cents each). Remittances, which may be made by Post Office or Express Orders, or Drafts, or Cheques, payable at par in Ottawa, should be addressed to the King's Printer, Government Printing Bureau, Ottawa.

Vol. LXII

Ottawa, January 27, 1940

No. 1878

MR. BRIGHTON TO VISIT COLOMBIA AND VENEZUELA

Mr. H. W. Brighton, Canadian Trade Commissioner at Panama City, plans to visit Colombia and Venezuela shortly in the interest of Canadian trade with those countries. In the course of his tour Mr. Brighton will spend some time at each of the principal business centres of each country.

Canadian exporters interested in the Colombian or Venezuelan markets and wishing to have investigations made in their behalf should communicate with Mr. Brighton as early as possible, supplying him with precise and full information. His address for letters is P.O. Box 222, Panama City, R. P.

AUSTRALIAN IMPORT CONTROL REGULATIONS: EFFECT ON CANADIAN TRADE

R. P. BOWER, ASSISTANT TRADE COMMISSIONER

(All values, unless otherwise indicated, are in pounds sterling; at current exchange £1 equals approximately \$4.47 Canadian, but equalled approximately \$4.70 Canadian during the period covered by this report.)

Sydney, December 18, 1939.—The National Security (Monetary Control) Regulations and the Customs (Overseas Exchange) Regulations provided that all supplies of overseas exchange be placed at the disposal of the Commonwealth Government during the war period. The Import Licensing Regulations carry the process a step further and give the Government the necessary power to ensure that exchange resources will be used to the best advantage.

The immediate aim of the licensing regulations is to conserve resources in non-sterling exchange and to prevent the absorption of those resources in the purchase of unessential imports to the detriment of the more vital national needs. They are also considered to be in the nature of a trial measure, to furnish information on the relative importance of particular imports, to enable any future restrictions to be soundly based should it later become necessary to enforce a greater degree of selectivity, to provide an indication of the extent to which business will be disturbed, and to determine the availability of substitutes for prohibited or restricted items.

To facilitate the administrative arrangements and to serve as a guide to all interested parties, all goods entering into trade have been classified into categories according to the degree of importance attached to the imports. Essential or very important imports are given an "A" classification, important goods a "B" classification, less important goods a "C" classification, and unimportant goods a "D" classification. The original categories are not final, and alterations may be made where sufficient evidence is forthcoming to show that reclassification is justified.

GOODS IN CATEGORY "D"

At the present time all items in category "D" (with certain minor exceptions) are prohibited import from non-sterling countries, which include

Canada, Newfoundland and Hongkong. It may be necessary to reclassify certain items in the future or to extend the prohibition, in whole or in part, to include classifications ahead of "D".

The regulations originally provided that the restrictions would not apply to goods in transit on the date of promulgation (December 1, 1939) and that licences would be granted for goods on order prior to that date and for which letters of credit had already been established. These provisions were subsequently modified, and at present "on order goods" will be admitted if orders were confirmed by the shippers prior to November 1 and provided importation is effected prior to March 31, 1940. The Government has also indicated a willingness to consider granting permits to import "on order goods" ordered and confirmed prior to December 1, if it can be proved that quantities ordered are not abnormal and terms of payment are usual. Applications for permits under this last condition must be lodged by December 18, 1939.

GOODS IN CATEGORIES "A", "B" AND "C"

Imports of goods in categories "A", "B" and "C" will be based on the value of imports of identical merchandise during the fiscal year ended June 30, 1939. During the first licensing period, covering the two months ending on January 31, 1940, licences will be granted to individual importers to the extent of one-sixth of the value of their respective importations of the same goods during the twelve months ended June 30, 1939.

For the purpose of the regulations the value is taken as the cost in Australian money plus freight and insurance. There is nothing in the regulations to prevent an importer from switching his source of supply from one non-sterling country to another nor to prevent an agent soliciting business from a licence-holding importer even though the agent himself holds no licence.

The normal period of validity of a licence has been fixed at eight months for imports from European countries and six months in the case of imports from other countries. Departures from the general principle will be made in the case of certain classes of imports, as for instance:—

1. Imports of seasonal character.
2. Irregular or non-recurring imports, e.g. imports of special plant machinery.
3. Essential commodities the demand for which may have substantially increased as the result of war conditions.
4. Essential commodities subject to material price increases since 1938-39, the demand for which, in terms of value, exceeds the 1938-39 levels.

Considerable elasticity is expected in the interpretation of the regulations until a reasonably satisfactory basis is established. Assurances have been given that the Government will do its utmost to minimize the disturbance and dislocation to business interests.

Goods in categories "A", "B" and "C" for which orders were placed and actually accepted before December 1, 1939, will be licensed up to the value of 25 per cent of the imports by each applicant for the base-year period. Such imports will not be debited against the importer's permissible imports.

Goods in excess of 25 per cent of the value of the base-year imports may also be admitted under licence, but any such excess will be debited against the applicant's future and existing allocation of permissible imports. In all cases, unless special permission is obtained, importations must take place prior to April 30, 1940.

The foregoing conditions will also apply to goods on order under letters of credit established prior to December 1, 1939.

DUAL CLASSIFICATION

A certain number of products have been listed under more than one category. In such cases figures are supplied to indicate the percentage allotted

to each group. For example, canned salmon is listed 50 per cent "C" and 50 per cent "D". For the time being imports of this specific item are being treated as "C", though the "D" classification can be made to apply if it is considered that imports are excessive. In all cases of dual listing, the authorities have indicated which rating is to apply for the present time. It may be assumed that, as the restrictions are extended, the first to be affected will be those items now given dual listing.

EFFECT ON TRADE

Calculated on the basis of imports from non-sterling countries during the year ended June 30, 1939, the goods in category "D" represent a value of £3,250,000. Total imports from non-sterling countries during the same period were valued at £46,500,000.

By reference to statistics for the fiscal year ended June 30, 1939, it is possible to obtain an estimate of the effect of the regulations on Canada's trade with Australia. If the "D" class items alone are deducted, goods to the value of approximately £815,000 are eliminated out of total shipments valued at £7,729,388, or roughly 10·5 per cent. Should those items given a dual listing with 50 per cent in "C" and 50 per cent in "D" be classed as "D" for the whole year, the affected total would be increased to approximately £1,350,000 or by 17·4 per cent. This does not mean that Canada's exports to Australia during the present fiscal year should decline by these amounts. Since it is permissible to transfer "A", "B" and "C" goods from one non-sterling country to another, it may be assumed that a portion of the lines which previously came from Germany and other continental suppliers, will now be ordered in Canada.

The following table shows the values of imports during the fiscal year ended June 30, 1939, from those countries shipments from which to Australia have been entirely cut off or are likely to be affected by the present war:—

Imports Suspended		Imports Likely to be Affected	
Germany	£4,027,234	Belgium	£ 981,473
Czecho-Slovakia	500,314	France	1,028,222
		Holland	702,686
		Sweden	947,675
		Switzerland	940,823
Total	£4,527,548	Total	£4,600,879

The following paragraphs deal with the more important products entering into Canada's export trade with Australia and the probable effect of the regulations upon them. Where it can be determined, the present listing by category is given, and exporters should bear in mind that the "higher" the listing for any commodity the less likely it is to be adversely affected by any subsequent extension of the restrictions. The notations opposite the various headings are respectively:—Total value in pounds sterling of imports from all sources in the fiscal year ended June 30, 1939; value in pounds sterling of imports from Canada; and the listing at the present time.

IMPORTS INTO AUSTRALIA OF INTEREST TO CANADA

Fish, Fresh or Preserved by Cold Process: £218,194; £3,471; 50 per cent C—50 per cent D.

Imports from Canada were slightly below the £4,186 recorded in the preceding fiscal year. New Zealand supplied imports valued at £135,500, as compared with approximately £39,000 from both the United Kingdom and South Africa. This line is being treated as a "C" class item at the present time.

Herring in Tins or Other Airtight Vessels: £110,492; £15,717; 50 per cent C—50 per cent D.

Imports from Canada were higher by £2,238 than in the preceding fiscal year. Only the United Kingdom with £82,740 was a larger supplier, smaller quantities coming from Norway, Alaska and Japan. For the time being imports under this heading are being accorded treatment for "C" class goods.

Canned Salmon: £571,787; £338,301; 50 per cent C—50 per cent D.

Despite a considerable expansion in packing of a local substitute salmon, total imports were higher by £46,500 than in the preceding fiscal year. All suppliers except Japan shared in the increased business, although Japan with £99,126 was still the second most important supplier followed by the United States (£61,659); Russia (£40,721), and Alaska (£11,000). The product is being treated as a "C" item at present, but the continued expansion of the local industry, the rising costs of imports, and the curtailment of shipments from all non-sterling countries indicate a considerably smaller volume next year.

Sardines in Tins: £145,578; £23,042; 50 per cent C—50 per cent D.

Imports from all sources declined from £153,819 in the preceding fiscal year, although arrivals from Canada increased from £21,670. Norway was the largest supplier (£76,080), followed by the United Kingdom (£27,020) and Portugal (£15,623). Arrivals from Norway and the United Kingdom are uncertain, and it had been expected that Canada would benefit from this position. Imports under this heading are being treated as "C" class goods until further notice.

Other Canned Fish: £51,095; £15,779; 50 per cent C—50 per cent D.

Imports from Canada under this heading were never important and will not be until the present regulations are relaxed.

Biscuits: £14,222; £3,621; D.

Canada has made continuous progress in supplying this item, the 1939 figure being practically double the total for 1938. The United Kingdom with £8,322 was the only other supplier of importance during the year. Under the existing regulations imports from Canada are prohibited.

Jams and Jellies: £2,597; £972; D.

Imports from Canada show a slight decline from the value of £1,109 recorded for the previous year. The United Kingdom with £1,370 was the largest supplier and the only other one of importance.

Jelly Crystals and Jelly Powders: £10,070; £10,047; D.

Substantial increases in purchases from Canada gave promise of steady growth in this line. As the figures indicate, Canada was the only important source, but under the existing classification further sales are impossible.

Whisky in Bulk: £547,036; £954; 50 per cent C—50 per cent D.

The United Kingdom with £546,058 obtained the bulk of the business under this heading. Canadian shipments were expected to increase as a result of interruptions to British deliveries but are prevented from doing so by the "D" classification given this product. Total imports of bulk whisky declined by 7,000 gallons for the last fiscal year as compared with the corresponding earlier period.

Hides and Skins, Other: £252,701; £73,309; Various.

Total imports under this heading declined from £304,843 during the preceding fiscal year, the Canadian figures falling from £102,422. The United States with £73,502 was just ahead of Canada, as she was the year before. Other leading suppliers in order of importance were Russia (£41,304), Norway (£22,401), and the United Kingdom (£19,735). A number of different tariff items are included under this one statistical heading, and the treatment under the control regulations is not uniform. Since raw furs make up the bulk of the Canadian figures, it is gratifying that this section has been given a "C" classification so that imports are at present being admitted up to the value for the preceding year.

Wood Pulp Chemical: £310,610; £1,007; A.

Total imports for the year ended June 30, 1939, amounted to 36,093 tons as compared to 61,369 tons for the preceding year, reflecting the increasing domestic production of this line. The demand still exceeds the local supply, however, and both bleached and unbleached sulphite are in steady demand from overseas. During the past year the leading suppliers in order of importance were Sweden (£163,549), Finland (£84,869), United States (£22,694), and Estonia (£22,606). As Scandinavian supplies are very uncertain at present, importers have directed their inquiries to Canada. Under the regulations, however, purchases from Canada are frozen at the levels prevailing last year, and unless special consideration is given to this item no increases are possible. Because it has been given an "A" rating it is hoped that imports in excess of last year's totals will ultimately be permitted, the needs of local mills making such consideration a virtual necessity.

Costumes, Dresses or Robes of Silk and not Containing Wool: £39,254; £4,214; D.

Imports from Canada were down from £23,208 in the previous year, largely because of higher duties, but a certain volume of purchases was still possible until the present regulations were introduced. Total imports under this heading were £14,000 smaller than for the preceding year, the leading suppliers in order of importance being the United States (£18,557), United Kingdom (£8,263), Canada, and France (£3,918).

Men's and Boys' Outer Garments (Overcoats and Suits): £94,953; £2,131; D.

This heading held definite promise for the future, as connections made in recent months have been very productive. American style men's suits from Canada were in good

demand, and prices were competitive. Unfortunately no further business can be done until the regulations are relaxed. The only supplier of importance under this heading during the last fiscal year was the United Kingdom.

Full-Fashioned Silk Stockings: £7,266; £5,707; D.

For some time Canada has been the only important overseas supplier of women's hose to this market. Local mills are able to cater for domestic requirements, and only specialty and advertised brands have been demanded from overseas. Once off the market, as they are under the existing regulations, it will be difficult to build up volume again.

Other Apparel and Attire: £200,880; £7,815; D.

This heading includes a wide range of wearing apparel, principally sports and specialty lines. The United Kingdom (£63,655) was the largest supplier, followed by Japan (£47,785), China (£22,460), and Germany (£14,535).

Boots and Shoes (Women's and Children's): £48,082; £5,414; D.

Imports from Canada were down considerably as compared with the year before (£10,707), although total imports from all sources increased by approximately £2,000. Non-sterling countries are prevented from shipping any leather footwear to this market under the existing regulations. As usual the United Kingdom (£20,533) and the United States (£13,263) were the only suppliers of importance.

Goloshes, and Rubber Sand Boots and Shoes: £3,418; £2,773; D.

Canada, the only important supplier, is prevented from making further shipments under the existing regulations.

Dressed or Prepared Skins n.e.i.: £58,753; £1,910; D.

The United Kingdom (£43,195) and Russia (£9,222) were the largest suppliers of this item. Canada is prevented from making further shipments, but fortunately this is not an important Canadian item, as the bulk of Canadian furs come in raw and are given a "C" rating.

Hats, Fur Felt, and Capelines, Fur Felt or Velour for Women's and Girls' Hats: £17,809; £1,025; D.

A regular business in Canadian quality hats has been done with Australia for some years, which will be stopped for the present. The United Kingdom (£7,826), Czechoslovakia (£2,996), Germany (£2,833), and France (£2,827) were the leading suppliers in the year under review, and because of the interruption of supplies from these sources as a result of the war, it was hoped that shipments from Canada would increase.

Blankets and Blanketing: £45,789; £3,822; D.

Imports from Canada showed a satisfactory increase over figures for the previous year (£1,957) and would doubtless have continued to improve into the present year if the regulations had not interfered. Leading suppliers under this heading during the year under review were the United Kingdom (£19,944), Japan (£15,322), and the United States (£4,646).

Linoleums: £470,277; £20,928; D.

Imports of this line from non-sterling countries are prohibited under the regulations as they stand at present, and importers are concerned at their inability to obtain American-type patterns as a result. Canadian shipments for the year were down by £3,400 as compared with the previous period, and United Kingdom shipments at £436,550 were down by £41,500. Arrivals from the United States at £12,701 represented an increase of £10,000.

Roof Coverings in the Piece, Floor Coverings and Similar Materials, Surfaced or Unsurfaced, Consisting of Felt, Textile, or Paper Base, Impregnated or Laminated with Bitumastic or Similar Preparations; Damp Course and Similar Materials in Sheets or Rolls: £17,205; £5,109; D.

Canada's shipments under this heading showed an increase of £1,000 as compared with the year before. Certain Canadian types are being imported for further manufacturing in Australia, and prospects for an expanding market were good until the control regulations were introduced. The United States (£6,839) was the largest supplier during the period, followed by the United Kingdom (£5,109).

Canvas and Duck n.e.i.: £530,091; £1,380; Various.

Canada's business under this heading declined from £8,180 in the year before, representing a fall in quantity from 133,297 square yards to 19,716 square yards. Total imports declined by approximately 170,000 square yards, and all leading suppliers with the exception of Belgium registered declines. Principal shippers in order of importance were the United Kingdom (£418,387), Japan (£86,302), and Belgium (£13,644). The war has brought such a demand for canvas in Europe that the regular suppliers have been unable to consider orders from Australia, and a considerable impetus to the Canadian trade was expected. Flax canvas from the United Kingdom has always been in the greatest demand in Australia, but the difficulty of obtaining supplies from the United Kingdom has developed an interest in the cotton types from Canada, which may be maintained once conditions return to normal. Most types are given an "A" rating, and it is to be hoped that the urgent necessity for supplies will induce the authorities to permit Canadian shipments in the "A," "B" and "C" categories in excess of the amounts imported last year.

Cotton Piece-Goods (Grey, Unbleached): £444,743; £134,360; Various.

Imports from Canada under this heading increased by approximately £4,000 as compared with the year before at a time when total imports declined by £138,000, largely as the result of smaller arrivals from the United Kingdom and Japan. During the year Canada was the second largest supplier, being exceeded only by the United Kingdom (£190,248) and followed by Japan (£93,253) and the United States (£13,246). Certain grades under this heading have been given a "B" and others a "D" rating. Apparently if the textile weighs more than 6 ozs. per square yard but less than 18 ozs. and is of a type which either as imported or when further processed is principally used for manufacture into men's or boys' overcoats, coats, vests, trousers, knickers or overalls, it is classed as "D," otherwise as "B."

Oil Baize or Similar Fabrics: £58,801; £2,703; Various.

Imports from Canada declined slightly from the £2,778 recorded for the year before. The largest supplier was the United Kingdom (£53,739), with Canada in second place. Although certain imports under this heading have been given a "D" classification and as such are prohibited, other items enter under by-law and are given a "B" rating.

Piece-Goods, Printed, Dyed or Coloured, n.e.i.: £2,456,172; £37,936; B.

Total imports for the year were £473,000 less than for the preceding year, Canadian shipments declining in sympathy by £26,300. Leading suppliers in order of importance were the United Kingdom (£2,083,269), Japan (£199,340), Canada, and Belgium (£37,738). With a "B" classification, shipments from Canada are not likely to be curtailed, although, unless the situation becomes acute, it is equally certain that they will not increase. As with all goods that are limited to values attained for the year ended June 30, 1939, it should be remembered that increased f.o.b. prices and delivery charges mean an actual reduction in the quantities allowed under the regulations.

Felt of Wool or Containing Wool: £30,458; £5,039; D.

Total imports declined from £60,000 for the year before, and imports from Canada from £30,684. Only the United Kingdom (£24,757) and Canada were important as suppliers. The regulations at present prevent further purchases from non-sterling countries.

Silk, Artificial, or containing Artificial Silk, or having Artificial Silk worked thereon, not containing Wool, and not Knitted: £2,477,845; £118,518; B.

Although imports under this heading declined by £700,000 as compared with the year before, arrivals from Canada increased in value by £20,055, representing an increase from 979,000 square yards to 1,140,000 square yards. Canadian patterns have been in good demand, and, with improved agency arrangements and the cutting off of leading continental suppliers, including Germany, a record year was anticipated. Under the regulations non-sterling countries will be unable to supply more by value than they supplied in the year ended June 30, 1939. Unless the regulations are amended or unless much larger quantities are obtained from the United Kingdom, there will be a definite shortage of these materials in Australia before the year is out, simply because such a large proportion of previous requirements came from what are now enemy countries.

A factory is now under construction near Sydney, where it is proposed to print silks imported in the grey from abroad. This factory will not be in operation for some months yet, while its capacity will not be great enough to replace imports of prohibited lines.

Leading suppliers during the year under review were Japan (£1,065,290), United Kingdom (£829,702), Germany (£142,941), Canada, France (£74,927), Italy (£69,896), Switzerland (£60,705), Czecho-Slovakia (£35,011), and the United States (£22,819).

Velvets, Velvetens, Plushes, Sealette and Cloths Imitating Furs; Astrakhans, excepting

Moquettes: £239,072; £2,667; 25 per cent B—50 per cent C—25 per cent D.

This item has not been important to Canada, but the cutting off of European sources might have led to worth-while business being done in the future. For the time being, imports under this heading are being treated as class "C" goods, which limits imports from non-sterling countries to values for the year ended June 30, 1939. Leading suppliers under this heading were Belgium (£67,786), France (£56,983), United Kingdom (£37,212), and Japan (£32,579).

Sewing and Embroidery Silks and Silk Twists: £79,502; £7,966; B.

Total imports were higher by £1,700, made up almost entirely by higher purchases from Canada. Leading suppliers in order of importance were the United Kingdom (£60,905), Canada, Germany (£5,882), and Japan (£3,978).

Waddings and Cotton Wool, Absorbent Cotton Wool not medicated: £30,381; £3,296; D.

The United Kingdom with £15,112 was the chief supplier, followed by the United States (£11,155). Under existing regulations all imports from non-sterling countries are prohibited.

Fish Oil: £26,938; £2,979; B.

The United Kingdom with 79,412 gallons valued at £8,161 was the largest supplier, followed by Norway with 84,730 gallons at £7,996, and Japan with 57,813 gallons at £4,338. Canadian oils from the Pacific coast have made striking progress, the 1939 figure comparing with shipments valued at only £603 the year before. It is hoped that the importance of these oils to certain secondary industries in Australia will be sufficient to bring about relaxation of the regulations in this instance.

Bronzing and Metal Powders: £26,693; £4,256; B.

The leading suppliers in the year under review were Germany with 2,144 cwt. valued at £15,635, followed by the United Kingdom (£5,914) and Canada. The war brought a flood of inquiries for Canadian powders, and a substantial increase in business could have been expected if the regulations had not intervened.

Crude Asbestos: £178,494; £95,941; B.

Arrivals from Canada have increased regularly in recent years, as Rhodesian fibres have become scarce. During the year under review Canada was the leading source of supply for the first time in some years, being followed by Rhodesia (£55,207) and South Africa (£23,550). Total imports declined in quantity from 193,043 cwt. to 184,347 cwt., but values increased from £148,907 to £178,494.

In view of the importance of this material to secondary industries in Australia, the volume of imports should be well maintained. Requirements in excess of the figures for the fiscal year 1938-39 will be obtained from Rhodesia and South Africa if possible; if not, a relaxation of the regulations may become necessary.

Sand, Glass and Emery Paper and Cloth: £86,075; £11,955; various.

Canadian shipments increased by £3,600 despite a decrease in total imports from the £105,437 recorded in the fiscal year ended June 30, 1938. The leading supplier was the United Kingdom (£67,714), followed by Canada, Switzerland (£2,747), and Germany (£2,105). Papers are treated as "C" class goods, and cloths as 50 per cent "A", 50 per cent "B", with "A" applying for the time being.

Carborundum, Emery and other Grinding and Abrasive Wheels: £65,198; £1,936; A.

The United Kingdom is the largest supplier of abrasive wheels to Australia and during the period under review shipped merchandise worth £58,654. The United States with £3,355 was the only other supplier more important than Canada. Should uncertain arrivals from the United Kingdom embarrass local industry, the relative importance of the classification would indicate that a modification might be made in the regulations to permit larger imports from non-sterling countries.

Adding and Computing Machinery: £157,196; £24,012; C.

Only the United States with £106,667 was more important as a supplier than Canada during the year. Others in order of importance were Sweden (£9,314), Germany (£8,873), and Switzerland (£5,531). The reduction in arrivals from Europe and the fact that purchases from other non-sterling suppliers cannot be increased beyond 1939 levels will result in a shortage of these goods in the future.

Cash Registers: £87,922; £73,814; C.

Although imports from Canada under this heading declined by £40,000 in the year ended June 30, 1939, as compared with the preceding year, nevertheless 87 per cent of the imports originated in Canada. The only other important sources of supply were the United States (£9,593) and Germany (£3,127). Given a "C" rating, there is little chance that the position of this item will be improved in the present year.

Cream Separators: £88,752; £7,425; B.

Imports from Canada were less than half those in the preceding twelve months. During the same period total imports declined by £31,700. Sweden with £47,605 was the principal supplier, followed by the United Kingdom (£26,352) and Canada. If this decline continues at the same rate into 1940, the maintenance of imports at the 1939 level should not inflict any hardship, assuming deliveries from Europe are not unduly affected. If production of butter in Australia should be reduced through inability of dairy farmers to obtain separators from sterling countries, it is expected that at least temporary permission to import from non-sterling countries would be obtained.

Carbon Manufactures of all kinds, including Carbon Blocks: £84,716; £32,485; B.

Although Canada's share of the imports of this item was £3,000 above the previous year, total imports declined by £7,000. The United Kingdom (£23,007), United States (£16,239), Germany (£9,325), and France (£2,219) followed Canada in order of importance as suppliers. Carbons for moving picture projectors and for searchlight use are in steady demand, and with Germany eliminated and deliveries from the United Kingdom and France very uncertain, users are endeavouring to have the regulations modified to allow imports from Canada in excess of 1939 values.

Electric Motors under 1 h.p. (not integral parts of machines): £171,931; £51,023; Various.

The above figures compare with a total value of £189,408 and Canadian shipments of £76,893 for the fiscal year ended June 30, 1938. The leading supplier was the United Kingdom (£87,291), followed by Canada, the United States (£25,870), and Germany (£3,791). A.C. motors up to 150 h.p. are given a "B" rating as are all others except D.C. motors up to 30 k.w. which are rated "C".

Motors for Gearless Lifts: £7,036; £5,354; C.

As imports under this heading came almost entirely from Canada in the year under review, a "freezing" of imports at the above figures should not greatly interfere with Canada's trade in this commodity.

Switches, Fuses, Cut-outs, Choke Coils and Relays: £120,343; £3,873; C.

Total imports have remained constant. The largest suppliers in order of importance were the United Kingdom (£86,856), United States (£19,658), and Germany (£5,483).

Electric Stoves, Ranges, Ovens, Cookers, Grillers, Boiling Plates, Rings, including Elements: £80,221; £25,713; D.

Only two countries, the United Kingdom (£49,853) and Canada, were important suppliers of this group during the year under review. A number of Canadian stoves have been approved by local municipal councils, and a growing business has resulted which undoubtedly would have continued into the present year if restrictions had not interfered. There is no likelihood of a relaxation of the prohibition, because local plants are in a position to cope with any increased demand.

Agricultural Implements and Machinery.

The range and volume of agricultural machinery imports into Australia have declined steadily in recent years in the face of higher tariffs and expanding local production. One or two Canadian lines have been able to maintain a small volume despite these difficulties, but some of these will now be eliminated as a result of certain items under this heading being placed on the "D", or prohibited list. Placed on the "C" list are such items as discs, mouldboard plates, hand-worked rakes and ploughs combined; hand-worked cultivators and hand-worked seed drills. Also included are knife sections and ledger plates for reapers, binders and mowers, imports of which from Canada were valued at £3,047 during the last fiscal year. Reapers and binders from Canada during the same period were valued at £22,039 out of total imports of £26,155, and these also are listed under "C". Given a "D" rating are such items as harrows, horse-drawn hay rakes (£412), ploughs (£5,200), and ploughshares (£985), the figures in parentheses representing the value of imports from Canada in the last fiscal year.

Mangles, Clothes Wringers and Washing Machines for Household Use: £75,396; £46,504; D.

The most important item under this heading as far as Canada is concerned is electric washing machines, for which a good market was being developed. The fact that relatively few homes are equipped with electric hot-water installation has retarded sales, but this has been overcome to some extent in recent years by an acute shortage of domestic help. As a result of the prohibition of imports from non-sterling countries, at least one Canadian firm is investigating the prospects of local manufacture, and it is probable that existing plants in the Commonwealth will expand production under the protection afforded by the regulations.

Lathes: £352,839; £37,353; A.

Imports from all sources were up from £232,312 and those from Canada up from nil the year before. The increase reflects Australian purchases of munition-making machinery, and it may be assumed that imports from whatever source will be allowed if the need arises.

Rock Boring Machines n.e.i.: £23,900; £10,562; C.

An increase of £15,900 in total purchases as compared with the year before is the result of increased activity on the part of oil drilling groups in the Commonwealth. This business will receive a decided stimulus if any of the fields now being investigated should produce results. In this case the demand for drilling machinery would probably necessitate some alteration to the classification given.

Parts of Tractors, All Types: £178,260; £11,062; Various.

The United States with £145,112 was the largest supplier under this heading, followed by the United Kingdom (£12,163). Products under this statistical heading receive a variety of different urgency ratings, but none are in "D" category, so that imports up to last year's figures should be attained.

Spark Plugs: £96,144; £66,686; D.

Despite being placed under the general tariff half way through the last fiscal year, imports of Canadian spark plugs rose by £6,000 to the figure shown above. The United Kingdom with £23,898 was the only other important supplier and will apparently have to combine with local manufacturers to fill the gap created by the prohibition of further imports from non-sterling countries.

Electric Household Refrigerators: £140,008; £45,384; D.

Annual increases in imports of this line have been recorded for some time, the total for the past year being an increase of £13,500 over the year before. The United States with 3,613 units valued at £64,978 was the largest supplier, followed by Canada and the United Kingdom (£29,067). If a shortage of electric refrigerators is to be avoided, larger imports from the United Kingdom will be essential, as it is doubtful whether local factories which turned out 5,921 units in the year ended June 30, 1938, can immediately expand production to the point where they can supply the quantities previously imported from non-sterling countries.

Knitting Machine Needles: £18,599; £5,150; A.

As Germany was the largest supplier (£10,324) under this heading during the last fiscal year, the outbreak of war gave a decided stimulus to the demand for Canadian needles.

Since the United States was the only other important source (£2,140) and as the product is given an "A" rating, it is to be hoped that permits will be issued to import needles from Canada in excess of last year's figures.

Typewriters, Including Covers and Parts: £224,157; £132,904; C.

Fifty-four per cent of the imports in this group originated in Canada last year. Other suppliers were the United Kingdom (£43,471), United States (£41,571), and Germany (£3,729). Fortunately it was a good year for Canada and so provides a reasonable basis for future business, imports during the year being £15,000 higher than in the year before. There is little likelihood of excess permits being issued as long as the United Kingdom is able to maintain her previous volume.

Aluminium Blocks, Ingots, Pigs, Scraps and Granulated: £57,845; £9,227; A.

Increased uses for aluminium have resulted in a steady advance in imports, the total above representing a 13 per cent increase over the previous year. Largest suppliers were the United Kingdom (£46,096), Canada, and the United States (£2,522). The war naturally stopped the flow from the United Kingdom, and deliveries from Canada are difficult. A large international group is erecting an aluminium rolling plant in Australia, and as it is intended to import the necessary ingot from Canada, it is unlikely that imports will be held to last year's figures. At present, however, it is largely a question of obtaining supplies from any source.

Aluminium Plates, Sheets and Strips: £117,746; £5,545; A.

Largest suppliers were the United Kingdom (£89,718); Switzerland (£15,298), and Germany (£6,876). (See preceding paragraph.)

Bolts, Nuts, Rivets and Metal Washers n.e.i.: £53,841; £4,833; C.

The United Kingdom (£36,174) and the United States (£10,665) account for the bulk of the imports under this heading. In view of the local productive capacity, there is little likelihood of an improvement in the grading.

Copper Pipes and Tubes Plain: £11,809; £9,236; B.

The United Kingdom (£1,947) is the only other important source.

Gas Cooking Appliances, Including Ranges: £18,785; £1,333; D.

The United Kingdom (£15,908) and Germany (£825) were the principal sources of imports during the year. Local plants, which turn out about 17,000 gas stoves per annum, should be able to make up for smaller importations.

Iron and Steel Angles and Tees: £12,922; £2,125; D.

Iron and Steel Bars and Rods: £4,920; £3,758; D.

The United Kingdom predominates as an overseas supplier of these goods, but local production is sufficient to meet normal requirements.

Iron and Steel Wire of No. 15 or Finer Gauge: £87,204; £16,034; 50 per cent C—50 per cent D.

The United Kingdom with £65,936 was the largest supplier, followed by Canada, the United States (£4,198) being the only other supplier of importance. This item will probably be given a "D" rating as soon as local production facilities can cope with the demand. The last year for which production statistics are available (fiscal year 1937-38) shows domestic production of 88,455 tons of iron and steel wire other than fencing. Imports of these types from all sources in the fiscal year 1938-39 amounted to approximately 7,000 tons, so that only a minor production increase is necessary.

Fencing, Gauges 8 to 14 Inclusive: £27,693; £17,967; D.

Canada was the largest supplier under this heading, sharing the business with the United Kingdom (£9,609). Total imports amounted to 35,243 cwt., and it is apparently felt that the local manufacturers with the aid of occasional shipments from the United Kingdom can meet requirements.

Wire for Use in Manufacture or Barbed Wire and Netting: £6,551; £6,123; D.

Canada was the only supplier of importance. (See preceding paragraphs for comments.)

Wire, Galvanized, Tinned or Otherwise Coated: £20,673; £10,162; D.

Canada and the United Kingdom shared this business in the year under review, although in the previous year the United Kingdom was practically the sole supplier. (For comments see above.)

Lamps, Lampware and Lanterns n.e.i.: £133,107; £8,224; C.

The United Kingdom with £67,581 was the largest supplier, followed by the Netherlands (£27,636), Germany (£11,633), United States (£10,339), and Canada. The war gave a decided impetus to the demand for Canadian lines, and last year's business would almost certainly have been exceeded under normal trading conditions. There is a small local production of lanterns, but it is insufficient to meet the demand.

Oil or Spirit Heating Lamps: £30,405; £4,370; C.

Such a large proportion of imports under this heading came from what are now enemy countries that a keen demand for Canadian lines has existed ever since the outbreak of war. The largest suppliers during the year under review were Sweden (£9,591), Germany (£7,226), and the United Kingdom (£6,657). The present classification of this item indicates that the chances of larger Canadian shipments in the future are remote.

Locks: £63,246; £2,295; D.

Although Canada was only of minor importance under this heading as compared with the United Kingdom (£46,777), the removal of Germany (£6,336) and the recent establishment of a number of good connections with Canadian manufacturers led to the hope that increased business would be reported next year.

Tacks: £5,353; £1,868; D.

The United Kingdom (£3,245) and Canada shared this business, which is now closed to Canada under the regulations.

Nickel Blocks, Cubes, Ingots, Etc.: £43,290; £4,434; A.

The United Kingdom (£38,288) was the largest supplier, but in view of the fact that the bulk of arrivals from the United Kingdom were of Canadian origin and also that the item is given an "A" rating, it is unlikely that the value of Canadian trade will be greatly affected in the future. Total imports at £43,290 compare with £27,234 for the previous twelve-month period, reflecting the increasing demand for this metal in local industries.

Hair Pins: £25,861; £974; D.

The United Kingdom (£22,125) and Germany (£2,546) were the principal sources of supply. Canada's total compares with £781 for the previous year.

Axes, Hatchets, Adzes and Similar Cutting Tools: £44,294; £20,703; A.

Canada was the leading supplier, followed by the United States (£16,665), United Kingdom (£3,579), and Sweden. Shipments from all sources showed a marked decline from the previous year's figures when imports were valued at £81,509, reflecting increased domestic production.

Files and Rasps: £117,859; £60,776; A.

Although imports from all sources declined by approximately £20,000, purchases from Canada showed a slight gain as compared with the preceding year.

Steps have been taken to begin the production of files in Australia, and a Tariff Board Inquiry is being held to determine whether duties should be levied on imported lines. In the meantime the importance of files to secondary industries is indicated by the "A" rating given.

If the United Kingdom, which supplied files worth £46,647 during the year, is unable to maintain deliveries, it is not expected that there will be any difficulty in obtaining increased supplies from Canada.

Jacks, Lifting: £19,546; £3,164; C.

The largest supplier was the United Kingdom (£9,263), followed by the United States (£6,956) and Canada. An increase in the duties, effective from December 7, 1939, will tend to favour United Kingdom suppliers as compared with Canadian or American. An improvement in the classification given this line cannot be expected.

Saws: £36,245; £18,485; Various.

Canada predominated in this trade, followed by the United Kingdom (£7,982), United States (£6,177), and Germany (£2,631). No types are given a rating below "C", so that as the regulations stand at present it is permissible to import from Canada up to the value of last year's shipments.

Other Tools of Trade: £574,016; £41,076; Various.

A large number of items are covered by this heading, under which the United Kingdom (£266,871) was the largest supplier in the last fiscal year. Other important sources were the United States (£152,180), Germany (£83,077), and Canada. In view of the high ratings given most items in the group and the removal of Germany as a source of supply, it is unlikely that the value of imports from Canada will be below that of last year.

Brake and Transmission Lining: £73,526; £11,750; D.

The prohibition of imports of these items from Canada means that future supplies will have to be obtained from the United Kingdom, which was the largest supplier (£51,698) during the year under review, followed by Canada and the United States (£9,558).

Valves for Pneumatic Tires, Cyclometers, Speedometers: £87,230; £18,616; B.

The largest supplier was the United States (£36,157), followed by the United Kingdom (£30,411) and Canada.

Chassis Unassembled, Car and Car Type Capable of Use for Commercial Vehicles: £4,553,387; £1,321,831; 25 per cent B—50 per cent C—25 per cent D.

This heading was second only to newsprint in the value of imports from Canada during the year under review. The above figure for Canada compares with £1,411,439 for the year before when total imports at £5,104,771 were also higher. The United Kingdom was the principal supplier (£1,817,570), followed by the United States (£1,323,162) and Canada. Germany is also credited with 823 units valued at £84,328 during the year, and was the only other important source of supply. A move is now under way for the complete manufacture of motor cars in Australia, the Government planning to spend about \$3,000,000 on a bounty scheme. As introduced to parliament the bill provides for the payment of a bounty on 60,000 engine units of 15 h.p. or over. On the first 20,000 units the bounty would be £30 a unit, on the second £25, and on the third £20 a unit. Full bounties will be

payable only when 90 per cent of the materials are of Australian origin and at least two-thirds of the share capital is held by Australian interests. It is estimated that production under the scheme will not begin for at least eighteen months.

Although classified under "B", "C" and "D", imports for the time being are being treated as "C" class goods. Because of the large number of people employed in local factories on the further assembly of Canadian chassis, it is not expected that there will be much interference with the existing trade, at least until arrangements have been completed for extended local production to replace curtailed imports from abroad. The number of chassis imported under this heading in the last fiscal year amounted to 60,675.

Unassembled Chassis, Truck, Omnibus or Other Commercial Vehicles: £1,737,073; £565,944; 50 per cent B—50 per cent C.

The United Kingdom with 3,947 chassis valued at £692,393 was the leading supplier, followed by Canada with 6,304 chassis, and the United States with 4,416 valued at £470,978. The rating given this classification is slightly better than that given the preceding one, and for the present time all imports are being treated as "B" class goods.

Assembled Chassis: £126,489; £6,438; D.

Imports from Canada under this heading were unimportant, consisting of only 46 units as compared with 449 valued at £81,430 from the United Kingdom, and 202 valued at £32,523 from the United States. Further imports from non-sterling countries are prohibited.

Chassis Parts: £287,601; £44,580; B.

The United States with £121,324 was the leading supplier, followed by the United Kingdom (£115,383), Canada, and Germany (£5,338). Increasing local production has steadily reduced imports, although the outbreak of war developed an increased demand for Canadian parts to replace supplies formerly obtained from Germany.

Shock Absorbers: £77,170; £24,341; 50 per cent C—50 per cent D.

Principal suppliers in order of importance were the United Kingdom (£39,337), Canada, and the United States (£12,665). Imports are being treated as "C" class goods for the time being.

Motor Vehicle Parts n.e.i.: £494,042; £86,622; D.

The United Kingdom was the chief supplier (\$229,362), followed by the United States (£161,251), Canada, and Germany (£15,036). Imports have shown a declining tendency in the face of increased domestic production, although the removal of Germany, as a source of supply stimulated interest in Canadian offers, which are impossible under the regulations as they stand at present.

Elastics n.e.i.: £112,891; £18,864; C.

The United Kingdom with £43,617 was the main supplier, followed by the United States (£29,703), Canada, Japan (£13,971), and Germany (£9,567).

Floor Coverings and Floor and Carriage Mats of Rubber: £16,235; £4,969; D.

The leading supplier in the last fiscal year was the United Kingdom (£6,553), followed by Canada, and the United States (£3,838).

Rubber Gloves, Including Surgeons: £3,456; £1,899; D.

Canada with 3,880 dozen pairs was the leading supplier, followed by the United Kingdom with 2,070 dozen pairs valued at £882. There are two plants in Australia in a position to manufacture surgeons' gloves, but the quality is not considered equal to that of Canadian gloves.

Rubber Belting: £15,204; £5,401; C.

The United Kingdom with £6,539 and the United States with £2,725 were the only other suppliers of importance.

Undressed Timber n.e.i. for Manufacture of Boxes: £282,731; £278,650; B.

Canada, with 86,500,000 board feet out of total imports of 87,000,000 was the only important supplier. The quantity imported was about 12 per cent less than in the preceding year.

Timber for Making Boxes, Cut to Size, Dressed or Partly Dressed: £122,261; £78,993; B.

Canada was the largest supplier, followed by the United States (£19,314), and Sweden (£16,965).

Douglas Fir Logs: £443,463; £443,463; B.

During the year under review Canada was the only source of supply listed.

Plywood: £19,531; £2,199; D.

Japan with £13,464 was the chief supplier. The prohibition of imports from non-sterling countries will work no hardship because of the excellent plywood and veneer industries in Australia which turn out approximately 1,500,000 board feet of veneers per annum.

Undressed Staves: £20,688; £7,663; B.

The United States (£11,265) was the leading source of imports, followed by Canada, and Poland (£1,760).

Undressed Douglas Fir in Sizes Less Than 7 Inches by 2½ Inches: £21,666; £21,468; C.

Canada was the only important supplier under this heading in the last fiscal year. Being rated as "C" class goods, there is little likelihood of increased shipments being permitted in the coming year.

Undressed Timber for Use in the Manufacture of Doors: £38,921; £21,005; C.

The United States (£10,314) was the only other important supplier. The "C" rating and the local supply of substitute timbers removes the possibility of a more favourable rating in the future.

Douglas Fir Larger Than 7 Inches by 2½ Inches up to 12 Inches by 10 Inches: £41,622; £41,609; C.

Undressed Timber n.e.i., 7 Inches by 2½ Inches and Upwards: £77,950; £23,384; C.

Canada, the United States (£20,878), New Zealand (£12,898), and the Philippines (£11,489) were the leading suppliers during the year.

Douglas Fir for Use in Mining: £70,814; £70,814; B.

This figure compares with 39,000,000 board feet valued at £151,359 imported from Canada during the preceding year.

Other Douglas Fir: £56,112; £56,112; C.

Veneers: £30,111; £3,326; C.

Leading supplier was the United States (£11,320) and France (£11,218).

Handles, Tool, Imported Separately, Axe, Adze, Hammer over 24 Inches, Mattock and Pick: £16,493; £5,497; D.

Leading suppliers in the last fiscal year were the United States (£10,874) and Canada.

Electrical Ware of Earthenware and Porcelainware, including Insulators: £48,457; £28,029; C.

The business under this heading varies with the amount of pole line transmission work done. The past year was a good one, and Canadian firms obtained the bulk of the orders, the other suppliers in order of importance being the United Kingdom (£7,956), Germany (£5,417), United States (£3,321), and Japan (£3,261).

Lenses n.e.i., Locket, Brooch and Watch Glasses: £34,609; £6,521; 50 per cent B—50 per cent C.

The largest supplier under this heading was the United Kingdom (£20,030), followed by Canada, and the United States (£4,598).

Plaster of Paris and Gypsum: £8,982; £3,834; Various.

Canada was the leading supplier, followed by the United Kingdom (£2,280), and the United States (£1,802). Gypsum has been given a "D" classification and as such is now prohibited entry from non-sterling countries, while plaster of Paris is given a "C" rating. Imports from Canada will show a considerable decline during the next year.

Paper Boards n.e.i.: £230,492; £14,333; C.

The most important suppliers in order of importance under this heading were the United Kingdom (£75,037), Sweden (£40,252), Germany (£39,248), United States (£27,832), Finland (£23,103), and Canada. So many of the regular suppliers have been cut off as a result of the war, that there has been a keen interest in offers from Canada which would certainly have resulted in larger business next year if the restrictions had not been imposed. As a range of paper boards are made locally, it is unlikely that a more favourable classification would be considered.

Fruit Wrapping Paper: £56,305; £25,667; B.

Imports from Canada were five times larger than in the previous year, making Canada the leading supplier, followed by Germany (£11,613), Czecho-Slovakia (£11,202), and Sweden (£4,495). An acute shortage is certain to develop because of the predominant position held by non-sterling countries as sources of supply and the removal of some of the larger shippers because of the war.

Gummed Paper: £37,216; £10; D.

This category has not been of much interest to Canada in recent years, the business going almost exclusively to the United Kingdom. When the war interrupted supplies in September, however, substantial orders were placed in Canada, and although a portion of these will be admitted, further business is prevented.

Paper Felt and Carpet Felt: £11,788; £7,055; C.

The United States with £3,491 was the only other supplier of importance under this heading in the last fiscal year. Total imports represented a 47 per cent increase over imports in the previous year.

Newsprint in Rolls exceeding 10 inches in width: £1,932,466; £1,559,506; A.

Canada was the only supplier of importance and, as the volume was considerably larger than in the previous year (141,856 tons as compared with 112,343 tons), a satisfactory basis for future imports has been established. The United Kingdom with 28,729 tons valued at £365,171 was the second largest supplier.

Newsprint in Sheets not less than 20 inches by 25 inches: £75,343; £41,248; A.

The United Kingdom (£25,472) was second to Canada as a supplier, followed by Finland (£4,617), Germany (£1,685), and Sweden (£1,048). Supplies from the United Kingdom and Scandinavia are very uncertain at present, and although it is possible to switch all non-sterling business to Canada, it is not possible to replace any of the United Kingdom shipments that may be cut off unless the regulations are amended, or suspended, on this item.

Paper in Rolls n.e.i.: £124,760; £39,019; B.

The United Kingdom was the largest supplier under this heading in the last fiscal year with shipments of 3,117 tons valued at £55,087. Other suppliers in order of importance were Canada, Sweden (£12,859), Norway (£8,505), Finland (£4,959), and Czecho-Slovakia (£2,599).

Paper in Sheets n.e.i.: £577,765; £14,863; B.

Suppliers under this heading in order of importance in the last fiscal year were the United Kingdom (£378,461), Germany (£55,615), Sweden (£35,802), Japan (£28,775), Norway (£27,108), and Finland (£21,128). So many of the European sources were cut off when war was declared that more orders were sent to Canada than the mills could fill. It will be possible to switch non-sterling business to Canada during the present year, so that total imports from Canada should come up to last year's figures.

Carbon, Stencil and similar Copying Paper: £15,950; £645; D.

Imports from the United Kingdom valued at £11,771 and from the United States at £3,457 account for the major portion of purchases under this heading. Further imports from non-sterling countries are prohibited.

Tissue and Tissue Cap Paper, and Paper for Paper Patterns, in sheets and rolls (weight not to exceed 9 pounds for 480 sheets 20 by 30 inches): £91,938; £5,966; C.

Germany was the most important source of supply in the last year with shipments valued at £26,462. Other suppliers included Sweden (£22,624), Norway (£10,716), Austria (£8,684), the United Kingdom (£7,680) and Canada. These grades are classed as "C" goods because local mills are steadily assuming a larger share of the available business, so that complete prohibition in the future should not create undue difficulties.

Mill Glazed Sulphites—Wrapping Paper: £31,095; £13,977; C.

Imports from all sources declined from 45,884 cwt. to 28,723 cwt., reflecting increased local production. Further reductions in imports may be expected for the current year. Canada was the chief supplier last year, followed by Sweden (£4,737), Finland (£4,047), and Germany (£2,799).

Writing and Typewriting Paper not including Duplicating: £497,602; £52,448; B.

The United Kingdom with £297,992 was the largest supplier, followed by Norway (£64,945), Canada, and Finland (£31,098). Total imports for the year were valued at £189,000 less than in the preceding twelve months.

Playing Cards in sheets or cut: £7,131; £848; D.

The largest supplier was the United Kingdom (£3,493), followed by the United States (£2,759), and Canada.

Paper Hangings and Wall Papers: £74,441; £18,260; C.

The United Kingdom supplied papers worth £47,985 under this heading during the last fiscal year as compared with £6,658 from the United States and £1,008 from Germany.

Fountain Pens, Pencils n.e.i. and Pens n.e.i. without holders: £90,793; £5,763; C.

The United Kingdom (£69,752) and the United States (£12,910) were the largest suppliers of these goods in the past year.

Articles used for Games n.e.i.: £77,506; £5,066; 50 per cent C—50 per cent D.

The United States (£28,462), the United Kingdom (£22,821), and Japan (£12,244) were all more important suppliers than Canada under this heading during the past year.

Toys: £186,540; £10,928; 50 per cent C—50 per cent D.

Japan with shipments valued at £94,843 was the principal source of supply, followed by the United Kingdom (£36,298), Germany (£21,801), the United States (£19,919), and Canada. Canada's principal contribution under this heading consists of dolls, although a large number of other lines were being investigated as a result of the removal of Germany as a supplier, and under normal conditions imports from Canada could have been expected to increase. If the present restrictive measures are extended, this item is certain to be one of the first affected.

Rolled Gold Jewellery, Jewellery under 9 carat, and Imitation Jewellery: £84,409; £2,005; D.

Although imports of this line from Canada were not important last year, prospects for increased business during the present year were excellent, chiefly because of wartime interference with previous sources. Principal suppliers in the past year were Czecho-Slovakia (£31,912), Germany (£20,927), United States (£13,654), and the United Kingdom (£9,665).

Clocks n.e.i., Movements and Parts: £171,624; £41,647; C.

Only Germany with £68,667 was more important than Canada as a supplier under this heading last year. Other sources included the United Kingdom (£24,291), the United States

(£20,557), and Japan (£8,530). The removal of Germany as a competitor resulted in a sharp increase in demand for Canadian clocks, although it is unlikely that the regulations will allow for much improvement in the volume this year.

Watches and Chronometers n.e.i.: £45,198; £18,232; C.

Switzerland with £18,255 and Canada were the leading suppliers under this heading last year, smaller values being credited to Germany (£4,500) and the United States (£2,593).

Sensitized Films: £179,623; £102,307; C.

This heading covers only unexposed films for use in cinematograph cameras. Canada was the largest supplier with 39,600,000 lineal feet out of total imports of 54,000,000 feet. Germany with 5,364,000 valued at £35,854 was in second place, followed by the United States with 5,361,000 feet valued at £30,135. As long as imports are allowed from non-sterling countries under this heading, Canada should benefit by obtaining the largest share of the business that previously went to Germany.

Spectacles and Frames, Magnifying and Reading Glasses: £86,460; £4,533; C.

Germany with shipments valued at £32,140 was the leading supplier, followed by the United States (£19,875), Japan (£14,681) and the United Kingdom (£13,152). A small quantity of the cheaper type frames are made in Australia, but in view of the minor importance of sterling countries as suppliers, it is not anticipated that imports of this line will be prohibited in the immediate future.

Cameras, Including Mounted Lenses and Accessories: £170,293; £24,303; Various.

Total imports of cameras were £47,000 larger than in the preceding fiscal year. Germany with £66,216 continued as the leading supplier, followed by the United States (£43,481), the United Kingdom (£28,688) and Canada. Cameras for commercial use and camera parts have been given a "B" rating, and other cameras 50 per cent "C" and 50 per cent "D," with "C" treatment for the present time. If the position is not disturbed by an extension of the restrictions, Canada may benefit by obtaining a share of the business previously placed with Germany.

Calcium Acetate: £11,314; £9,893; A.

The only other supplier of importance in addition to Canada is the United Kingdom (£1,207). It may be assumed that larger imports will be allowed from non-sterling countries if inability to obtain supplies from sterling countries imposes hardships on local industries.

Calcium Cyanide: £22,005; £6,848; A.

Germany with £9,080 was the largest supplier, followed by Canada, and the United States (£6,077). (For comments see preceding paragraph.)

Cyanides of Potassium and Sodium: £245,345; £89,581; A.

The only other substantial suppliers beside Canada are the United Kingdom (£132,415) and Japan (£13,591). (See above.)

Proprietary Medicines: £345,033; £14,144; C.

Leading suppliers in order of importance in the past fiscal year were the United Kingdom (£219,857); Germany (£70,478), the United States (£20,557) and Canada.

Toilet Preparations, Perfumed or Not, n.e.i.: £94,992; £8,647; D.

Imports under this heading have shown a declining tendency as local manufacturing has expanded. This trend could be expected to continue as refugees from Europe have invested in additional plant in Australia in recent months. The largest suppliers in the last fiscal year were the United Kingdom (£64,911), the United States (£16,350) and Canada. No relaxation of the prohibition on this item can be expected.

Rifles and Revolver Cartridges, n.e.i.: £31,320; £5,010; D.

The largest supplier during the year was the United States (£12,345), followed by Germany (£6,037), Canada, and the United Kingdom (£4,641).

Bags, Hand (Including Ladies' Hand Bags and Purse Bags, Except of Metal), Sporting, Travelling; Cases, Companions, Travelling; Trunks, Travelling; Companions;

Reticules; Satchels; Valises, of Leather: £34,073; £4,484; D.

The above figure for Canada compares with only £647 for the year before. The connections established within the past year would almost certainly have further increased Canada's business if the control regulations had not been introduced. Leading suppliers in the last fiscal year were the United Kingdom (£11,490), the United States (£7,917), Germany (£5,972), and Canada. Frames for use in the manufacture of hand-bags are given a "B" rating, and as the majority of these frames previously came from Germany, the war is expected to produce some business for Canada during the present fiscal year.

Brooms, Whisks, Mops and Carpet Sweepers: £26,345; £9,722; D.

A decline of £4,300 in imports from Canada under this heading placed the Dominion after the United Kingdom (£14,111) as a supplier during the year under review. The United States was the only other important supplier (£2,097).

Vacuum Cleaners, Household: £185,539; £3,284; Various.

Imports from Canada under this heading were £11,000 less than during the same period one year earlier, the number of machines supplied falling from 3,188 to 657. Sweden was the largest supplier with 14,500 machines valued at £88,315, followed by the United Kingdom (£50,180), Germany (£28,580), and the Netherlands (£13,159).

Vacuum cleaners of the outside bag type are being treated as "D" class goods, and further imports are prohibited from non-sterling countries. Other types are listed as 50 per cent "C"—50 per cent "D," and for the present are being treated as "C" class goods. An extension of the restrictions would almost certainly affect this item.

Marine Engines (Outboard): £21,118; £6,002; 50 per cent C—50 per cent D.

Total imports under this heading were £10,000 higher than in the previous year. The improvement was largely due to increased shipments from the United States, which supplied 1,411 motors valued at £14,547 as compared with 347 motors valued at £4,318 the year before. During the same interval arrivals from Canada declined from 507 units to 491. At present, this line is being treated as "D" class merchandise, although every effort is being made to secure an improved classification because of the predominant position held by non-sterling countries among suppliers of this line.

Musical Instruments, Parts and Accessories: £6,443; £1,048; Various.

Total imports under this heading declined from a value of £8,502 for the year before, although Canada's business actually increased, from £599. The only other supplier of importance in the last fiscal year was the United Kingdom with £5,038. Imports under this heading are classed as either "C" or "D." Actions in separate parts, keyboards, strings, hammers and ivories; handles and hinges for pianos; violin mutes and chin rests; holders for attaching to band or orchestral instruments; piano player and similar records for rendering music by mechanical process; military band and orchestral musical instruments; metal pipes for organs and pipe organs; musical boxes; metronomes; and carillons and bells, including fittings, are all given a "C" rating, while all types of completely manufactured pianos are given a "D" rating. Local factories turn out about 1,500 pianos a year valued at approximately \$292,000.

Soap, Toilet, Fancy and Medicated: £15,456; £1,186; D.

Imports have declined steadily in recent years as local production has expanded. Australia produced in the neighbourhood of 100,000 cwt. of toilet soap last year valued at approximately \$1,880,000, and facilities are ample to replace all supplies previously coming from non-sterling countries. The largest supplier last year was the United Kingdom (£12,000), followed by Canada, Germany (£975), and France (£577).

Wall and Ceiling Parts and Decorations of Any Materials, n.e.i.: £62,223; £20,179; D.

This heading includes building boards, of which Canada is the largest overseas supplier. Other sources in order of importance in the last fiscal year were the United Kingdom (£15,302), United States (£8,919), Hawaiian Islands (£8,199), and Finland (£5,842).

SUMMARY

It is difficult at the moment to estimate the full effect of the Australian import regulations. In the case of "A," "B" and "C" class goods, imports from Canada during the base year do not provide a very accurate picture of what may be expected in the future. If the principal suppliers in the base year were countries whose exports are likely to be adversely affected by the present conflict, it is reasonable to expect an increased demand for similar goods from Canada. Whether or not Canadian production facilities will be able to cope with the increase remains to be seen.

It should also be borne in mind that the value on which the quotas are based includes freight and insurance. As these charges have risen sharply since the war started, and as f.o.b. prices are themselves higher in most cases, the same values in imports represents a considerable decline in quantities. The long-term outlook is not encouraging for "D" class goods. Even if the prohibition is lifted at a later date, importers will almost certainly have to face strenuous competition from factories that have been established in the Commonwealth during the interval, while in some cases brands from sterling countries will have become so well established that to dislodge them will be difficult.

**CANADA'S DOMESTIC EXPORTS TO THE UNITED STATES OF PRINCIPAL COMMODITIES AFFECTED BY THE CANADA-UNITED STATES TRADE AGREEMENT
EFFECTIVE FROM JANUARY 1, 1939; ALSO UNITED STATES TARIFF RATES IN FORCE. (MONTH OF DECEMBER, 1938 AND 1939, AND TWELVE MONTHS
ENDED DECEMBER, 1938 AND 1939)**

NOTE.—The descriptions of commodities used in the following table are taken from Canadian statistical classification of exports and in many instances are not identical with the terms of the concessions secured in the trade agreement, which are based on United States tariff classification. In cases where the two classifications vary materially, the tariff rates quoted apply to the commodities for which statistics are given only as and to the extent indicated. A number of products affected by the agreement are not included in the table because statistics are not available.

(COMPILED BY THE EXTERNAL TRADE BRANCH, DOMINION BUREAU OF STATISTICS; AND THE FOREIGN TARIFFS BRANCH)

Commodities	Quantities				Value				United States Tariff		
	Month of December		Twelve months ended December		Month of December		Twelve months ended December		Before first Agreement, i.e., 1935	Canada-United States Agreement, (Jan. 1, 1939)	
	1938	1939	1938	1939	1938	1939	1938	1939			
AGRICULTURAL AND VEGETABLE PRODUCTS											
Fruits and vegetables—											
Blueberries, frozen.....	84,000	147,015	1,409,252	3,145,289	6,242	8,101	92,139	213,140	35% ad val.	17½% ad val.	
Blueberries, fresh, n.o.p.....	29,465	13,025	2,602,704	2,591,601	1,561	195	156,553	139,260	1½c. per lb.	1c. per lb.	
Certified seed potatoes.....	133,538	242,421	735,185	851,125	127,878	207,335	592,253	767,041	75c. per 100 lbs.	37½c. per 100 lbs., March 1 to Nov. 30; 60c. per 100 lbs., Dec. 1 to last day of Feb.	
Potatoes, n.o.p.....	1,256	36,737	177,352	238,105	983	26,715	91,941	148,359	75c. per 100 lbs. on imports in excess of 1,500,000 bu. per 12-month period beginning Sept. 15.	75c. per 100 lbs. on imports in excess of 1,500,000 bu. per 12-month period beginning Sept. 15.	
Potatoes, n.o.p.....									37½c. per 100 lbs., Mar. 1 to Nov. 30;	37½c. per 100 lbs., Mar. 1 to Nov. 30;	
									60c. per 100 lbs., Dec. 1 to last day of Feb.	60c. per 100 lbs., Dec. 1 to last day of Feb.	
									75c. per 100 lbs. on imports in excess of 1,000,000 bu., plus quantity domestic crop falls below 350,000,000 bu., per 12-month period, beginning Sept. 15.	75c. per 100 lbs. on imports in excess of 1,000,000 bu., plus quantity domestic crop falls below 350,000,000 bu., per 12-month period, beginning Sept. 15.	
Turnips.....	331,445	296,965	2,415,059	2,239,452	97,868	125,973	808,843	859,170	25c. per 100 lbs.	12½c. per 100 lbs.	
Grains and farinaceous products—											
Barley.....											
Oats.....	2,033,168	1,556,219	6,805,387	6,805,387	1,063,163	556,287	3,276,179	20c. per bu.	15c. per bu.	15c. per bu.	
Rye.....	1,907	1,804,724	6,429,148	6,429,148	669,506	4,938	2,239,498	16c. per bu.	8c. per bu.	8c. per bu.	
Bran, shorts and middlings.....	143,511	701,648	280,483	2,970,046	436,482	113,025	1,479,310	15c. per bu.	12c. per bu.	12c. per bu.	
Cereal foods, prepared.....	96,468	605,819	398,036	4,857,952	116,115	626,143	318,702	4,647,412	10½c. ad val.	5½c. ad val.	
Malt.....					6,027	3,679	79,562	68,250	20½c. ad val.	10½c. ad val.	
Screenings (grain).....	183,250	432,129	1,096,841	1,793,693	13,935	114,641	356,455	10½c. ad val.	40c. per 100 lbs., if barley malt;	40c. per 100 lbs., if barley malt;	
Maple syrup.....	248	15	3,954	2,093,081	10,485	40	236,269	4c. per lb.	35c. per 100 lbs. if rye malt.	35c. per 100 lbs. if rye malt.	
Maple sugar.....	7,670	91,923	7,443,364	7,654,980	1,207	17,876	1,193,411	6c. per lb.	5½c. ad val.	5½c. ad val.	
Whiskey.....	252,678	130,463	2,433,484	1,376,586	1,254,928	722,415	7,464,277	\$2 per pt. gal.	2c. per lb.	2c. per lb.	
									\$2.50 per pt. gal. if aged in wooden containers for at least four years.	\$2.50 per pt. gal. if aged in wooden containers for at least four years.	

CANADA'S DOMESTIC EXPORTS TO THE UNITED STATES OF PRINCIPAL COMMODITIES AFFECTED BY THE CANADA-UNITED STATES TRADE AGREEMENT
EFFECTIVE FROM JANUARY 1, 1939; ALSO UNITED STATES TARIFF RATES IN FORCE. (MONTH OF DECEMBER, 1933, AND THE TWELVE
MONTHS ENDED DECEMBER, 1938 AND 1939)—Continued

Commodities	Quantities				Value				United States Tariff	
	Month of December		Twelve months ended December		Month of December		Twelve months ended December		Before first Agreement, i.e., 1935	Canada, United States Agreement, (Jan 1, 1939)
	1938	1939	1938	1939	1938	1939	1938	1939		
ANIMALS AND ANIMAL PRODUCTS—Con.										
Fish; fresh and frozen—Con.										
Swordfish, fresh and frozen..... Cwt.			13,005	18,132			158,539	246,269	2c. per lb.	1c. per lb., if not frozen.
Fresh-water fish, other, fresh and frozen..... Cwt.	52,929	48,843	554,022	572,766	448,807	416,256	5,008,501	4,806,544	1c. per lb. (not filleted); 2½c. per lb. (filleted).	1c. per lb. (not filleted); 2½c. per lb. (filleted).
Fish, salted, dried, smoked, or pickled— Cod, haddock, pollock, hake and cusk, dried..... Cwt.	7,794	6,392	81,915	80,855	53,141	50,649	534,785	557,324	1½c. per lb., if containing not more than 43% moisture.	1c. per lb., if containing not more than 43% moisture.
Cod, pollock, hake, and cusk, green- salted..... Cwt.	2,515	2,985	108,085	147,580	6,768	9,645	305,987	416,346	1c. per lb., if containing more than 43% moist- ure.	1c. per lb., if containing more than 43% moist- ure.
Cod and haddock, smoked..... Cwt.	817	2,016	24,555	29,264	7,979	22,950	241,830	266,831	2c. per lb., if skinned or boned.	1½c. per lb., if skinned or boned.
Herring, sea, pickled..... Cwt.	261	2,590	9,217	16,190	788	6,901	29,364	47,026	1c. per lb. (not filleted); 3c. per lb. (filleted).	1c. per lb. (not filleted); 3c. per lb. (filleted).
Herring, sea, smoked..... Cwt.	128	1,015	6,390	12,246	1,176	10,677	31,497	99,450	1c. per lb., net weight.	1c. per lb., net weight.
Mackerel, pickled..... Cwt.	8,088	5,337	32,272	34,146	43,156	34,005	168,075	171,768	1½c. per lb., if boned; 1c. per lb., if not boned.	1½c. per lb., if boned; 1c. per lb., if not boned.
Salmon, pickled..... Cwt.	30	1,122	2,336	4,917	300	23,247	36,709	103,764	1c. per lb., net weight.	1c. per lb., net weight.
Salmon, smoked..... Cwt.	1	1	27	30	15	41	649	599	25% ad val.	12½% ad val.
Fish, canned— Lobsters, canned..... Cwt.	143	135	4,785	7,251	6,474	7,358	238,958	319,487	Free.	Free.
Fur skins, undressed— Beaver, fisher, lynx, mink, muskrat, and wolf skins, undressed..... No.	76,981	136,851	612,186	859,120	774,681	1,062,300	2,793,151	3,787,902	Free.	Free.
Fox skins, black and silver, undressed..... No.	4,882	36,975	12,767	71,542	104,057	590,728	304,711	1,283,370	50% ad val.	37½% ad val. (b)
Hair and bristles..... Sq. ft.					22,823	25,826	261,072	264,898	Free.	Free.
Leather, patent..... Sq. ft.					2,546	39,271	13,201	566,277	15% ad val.	7½% ad val.
Meats— Bacon and hams, shoulders and sides..... Cwt.	480	453	6,633	5,515	17,937	14,848	244,775	185,050	3½c. per lb.	2c. per lb.
Pork, fresh, chilled and frozen..... Cwt.	1,685	2,628	23,684	23,304	34,325	28,786	441,724	429,830	2½c. per lb., if fresh or chilled.	1½c. per lb., if fresh or chilled.
Pork, dry-salted..... Cwt.							836	3½c. per lb.	3½c. per lb.	2c. per lb.
Pork, pickled, in barrels..... Cwt.			262			5,086	4,447	118,713	6c. per lb., but not less than 20% ad val.	3c. per lb., but not less than 15% ad val.
Edible animal entrails, n.o.p. (a)..... Cwt.		493		6,543					4c. per lb., but not less than 25% ad val.	4c. per lb., but not less than 25% ad val.
Milk products— Cheese..... Cwt.	478	3,788	17,555	67,132	11,190	72,077	310,425	981,928	7c. per lb., but not less than 35% ad val.	cheddar cheese, not further processed than divided into portions.
Cream..... Gal.			5,096	4			11,153	2,505	6c. per gal.	28½c. per gal.
										56½c. per gal. in excess of 1,500,000 gals. during any cal- endar year.

Milk, fresh.....	Gal.	88	224	2,470	3,135	33	67	880	1,102 64c. per gal.	31c. per gal.; 04c. per gal. on imports in excess of 3,000,000 gals. during any cal- endar year. 24c. per gal. if sperm oil.
Whale oil.....	Gal.		457,274					144,196		5c. per gal. if sperm oil.
Wood, Wood Products and Paper										
Christmas trees.....	No.	16,612	33,371	552,321	912,910	399,152	509,074	416,811	574,167	10% ad val.
Fence posts.....	No.	24,321	28,454	324,716	374,671	76,170	2,982	50,186	1,121,373	Free.
Telegraph and telephone poles.....	No.	1,365	32,985	247,058	206,587	920	84,137	1,064,066	144,732	Free.
Railroad ties.....	No.	3,355	5,118	62,650	69,410	23,732	19,857	139,358	364,079	Free.
Firewood.....	Cord	13,415	11,863	160,377	177,717	36,707	27,028	327,372	324,040	Free.
Laths.....	M	24,015	12,086	135,285	206,969	242,412	31,333	519,442	2,498,491	Free.
Logs.....	M	2,192	2,422	33,730	30,103	15,309	165,278	1,719,183	229,692	Free.
Pickets.....	M						18,509	239,231	26,655	\$1 M ft. b.m. if fir, 50c. per M ft. b.m. if fir, spruce, pine, hemlock, or larch.
Piling.....	Lin. ft.		440	644,210	408,052		44	38,630	12,492	8% ad val. if maple, birch or beech.
Planks and boards and square timber— Flooring of hard wood.....	M ft.	21	25	194	217	893	1,480	9,371	2,165,869	Free, but subject to \$3 M ft. b.m. revenue
Planks and boards, hardwood, n.o.p., and square hardwood timber.....	M ft.	3,456	5,162	30,240	52,589	138,034	208,683	1,220,540	14,723,941	Free, but subject to \$3 M ft. b.m. revenue
Planks and boards and square timber, softwood.....	M ft.	32,750	40,131	419,684	574,917	741,266	1,107,398	10,351,397	8,685,581	Free, but subject to \$3 M ft. b.m. revenue
Pulpwood.....	Cord	49,751	75,666	1,273,105	1,076,761	358,131	610,657	10,374,557	7,864,401	Free.
Shingles.....	Square	31,131	31,181	1,840,686	2,808,339	85,579	82,979	4,989,816		Free.
Staves and headings.....						979		11,994		Free if staves.
Wood pulp.....	Cwt.	551,154	1,499,907	9,077,212	12,131,768	1,995,385	3,063,690	21,561,546	697,525	1c. per lb. and 10% ad val.
Book paper and newsprint, side runs and side rolls.....	Cwt.	34,914	115,276	355,087	594,024	37,583	148,280	372,187	97,056,302	Free.
Hanging paper, not printed (a).....	Cwt.								356,704	10% ad val.
Newsprint paper.....	Cwt.	3,468,140	4,426,676	38,765,934	44,127,090	7,634,873	9,697,472	85,190,912		Free.
Pulpboard for wallboard (a).....	Cwt.		15,952		199,430		36,741			10% ad val. if pulboard in rolls, not processed; 5% ad val. if pulboard in rolls, not processed; 15% ad val. if pulboard in rolls, processed.

(a) From January 1, 1939 (b) 35 per cent ad val. subject to quota of 100,000 units per 12 months' period beginning Dec. 1, 1939.

CANADA'S DOMESTIC EXPORTS TO THE UNITED STATES OF PRINCIPAL COMMODITIES AFFECTED BY THE CANADA-UNITED STATES TRADE AGREEMENT
EFFECTIVE FROM JANUARY 1, 1939; ALSO UNITED STATES TARIFF RATES IN FORCE. (MONTH OF DECEMBER, 1938 AND 1939, AND THE TWELVE
MONTHS ENDED DECEMBER, 1938 AND 1939)—Concluded

Commodities	Quantities				Value				United States Tariff	
	Month of December		Twelve months ended December		Month of December		Twelve months ended December		Before first Agreement, i.e., 1935	Canada-United States Agreement, (Jan. 1, 1939)
	1938	1939	1938	1939	1938	1939	1938	1939		
IRON AND ITS PRODUCTS										
Castings of iron and steel, n.o.p..... Cwt.	44	9	1,475	2,225	298	67	9,812	14,523	20% ad val. if of iron....	10% ad val. if of iron.
Farm implements and machines and parts (except "Carden and farm tools" and "Spades and shovels and parts") .. Ton	389	1,222	6,367	8,908	52,651 11,248	137,503 24,986	2,366,534 161,461	1,848,361 217,974	Free..... 2c. per lb. on silicon content.	Free. 1c. per lb. on silicon content when containing 8% but less than 30% of silicon. 75c. per ton (2,240 lbs.).
Spiegeleisen (a) (see "Ferro-manganese and other ferro-alloys, n.o.p.")..... Ton		3,457		39,290						
Ferro-manganese and other ferro-alloys, n.o.p. (included "Spiegeleisen" prior to January 1, 1939)	5,717	92	18,053	628	166,720	5,134	580,714	25,807	1c. per lb. on manganese content if ferro-manganese; 2 1/2c. per lb. on chromium content when containing not less than 3% of carbon if ferro-chrome. (Reduced to 1 1/2c. per lb., Swedish Agreement, Aug. 5, 1935).	1c. per lb. on manganese content when containing not less than 4% of carbon if ferro-manganese; 1 1/2c. per lb. on chromium content when containing not less than 3% of carbon, if ferro-chrome.
Skates..... Pair	54,231	59,960	294,679	493,869	41,682	51,270	221,669	381,395	20% ad val.	15% ad val.
Non-Ferrous Metals and Products										
Aluminum in bars, blocks, ingots, sheets, etc..... Cwt.	50	500	22,337	39,685	1,134	10,000	343,577	547,337	4c. per lb., if crude.....	3c. per lb., if crude.
Aluminum scrap..... Cwt.		252	5,236	9,524		2,876	32,552	82,954	4c. per lb.	3c. per lb.
Cadmium (a)				60,128				30,064	15c. per lb.	7 1/2c. per lb.
Cobalt, contained in ore..... Cwt.	56	182	616	860	3,523	18,173	37,837	69,243	Free.....	Free.
Cobalt, metallic..... Cwt.			80,779	616			118,601	332,031	Free.....	Free.
Nickel, contained in oxide..... Cwt.	297	1,314	3,496	15,192	6,467	30,294	73,435	25,692	3c. per lb.	2 1/2c. per lb.
Nickel, fine..... Cwt.	37,490	102,923	435,567	983,565	938,264	2,830,127	10,890,796	167,119	Free.....	Free.
Selenium and salts of (a)		8,215		109,411		12,322			1 1/2c. per lb. on zinc content.	1 1/2c. per lb. on zinc content.
Zinc, contained in ore..... Cwt.										
Zinc spelter..... Cwt.	6,720	14,000	47,835	128,744	20,100	43,707	161,147	420,056	1 1/2c. per lb.	1 1/2c. per lb.
Non-Metallic Minerals and Products										
Abrasives, artificial, crude, including carborundum..... Cwt.	73,833	128,765	1,009,613	1,258,221	181,783	396,765	2,734,022	3,391,803	Free.....	Free.
Asbestos, and asbestos sand and waste... Ton	15,552	22,657	166,867	225,059	577,740	916,605	5,128,830	7,646,123	Free.....	Free.

Basic refractory materials, dead-burned		Ton	152				3, 659	30% ad val.	20% ad val., if containing 15% or more of lime.
Coal tar and pitch; creosote oil; and coal tar oils, n.o.p.		492,774	5,675,033	43,453	47,436	633,423	453,140	Free.	Free.
Feldspar (See "Nepheline syenite")		483	7,648	3,133	8,020	41,841	49,567	50c. per ton (2,240 lbs.) if crude;	25c. per ton (2,240 lbs.), if crude;
Gypsum or plaster, crude		19,302	1,191,359	25,961	170,372	793,196	1,318,643	30% ad val. if ground.	15% ad val., if ground.
Lime, building		13,651	90,770	3,400	955	51,163	37,828	5c. per 100 lbs., if lime-stone crude;	24c. per 100 lbs., if lime-stone crude;
							12c. per 100 lbs., if hydrated;	6c. per 100 lbs., if hydrated;	
Lime, n.o.p. (a)			80,335		458		30,453	10c. per 100 lbs., if other.	5c. per 100 lbs., if other.
Nepheline syenite (includes "Feldspar" for January, February and March, 1938)		3,000	24,701	10,250	3,915	129,117	87,487	Same rates as above.	Same rates as above.
Quartzite (a)			108,386				196,402	Free, if crude;	Free, if crude;
Sand and gravel		89,343	241,948	18,488	1,552	146,010	79,091	30% ad val., if ground.	15% ad val., if ground.
Talc		6,659	124,358	3,633	3,558	64,629	66,061	Free.	Free.
							66,061	35% ad val.	17½% ad val., if valued not more than \$14 ton.
CHEMICALS AND ALLIED PRODUCTS									
Acetic acid		6,341	13,738	31,714	11,461	339,460	49,453	1½c. per lb., if not over 65%;	1c. per lb., if not over 65%;
Acetylene black (a)			2,398,960		29,752		252,150	2c. per lb., if over 65%;	1c. per lb., if over 65%.
Cyanamid		216,100	2,971,001		346,163		3,174,221	20% ad val.	10% ad val.
Soda and sodium compounds		27,096	606,552	248,145	239,847	2,836,760	2,161,277	Free, if sodium cyanide.	Free, if sodium cyanide.
Vinyl acetate and synthetic resins made therefrom (a)			375,181	86,427	8,220		169,176	Free, if sodium cyanide.	Free, if sodium cyanide.
								6c. per lb. and 30% ad val.	3c. per lb. and 15% ad val.
MISCELLANEOUS COMMODITIES									
Junk, except metallic and rubber		1,935	24,593	8,799	8,985	78,092	87,317	10% ad val.	7½% ad val.
Organs and parts			11	50		51,098	3,667	35% ad val., if pipe organs and parts;	14% ad val., if pipe organs and parts;
								40% ad val., if pipe organ player actions (church);	20% ad val., if pipe organ player actions (church);
								60% ad val., if pipe organ player actions (other).	30% ad val., if pipe organ player actions (other).

(a) From January 1, 1939.

GERMAN TRADE WITH IRELAND

JAMES CORMACK, CANADIAN TRADE COMMISSIONER

Dublin, December 18, 1939.—The war has demonstrated the commercial dependence of Eire on the United Kingdom, both as regards imports and exports, to the exclusion of practically all continental countries. There are no wartime restrictions on imports imposed by the Government of Eire, but trade has been considerably limited by the lack of Irish shipping and by the decision of the United States Government to include this country in the war zone.

For a number of years Germany's trade with Eire had been preponderantly in favour of the former country, but in 1935 the Government of Eire endeavoured to remedy this situation by making a Trade Agreement with Germany whereby imports from that country into Eire and exports from Eire to Germany were to be maintained at the ratio of 3 to 2 in favour of Germany. As a result of this treaty, Eire's exports to Germany, mainly agricultural produce (butter, eggs), horses, cattle, and herrings, were greatly increased, being valued annually thereafter at about £1,000,000. The renewal of the agreement in 1938 took into consideration the former Republic of Austria and also Czecho-Slovakia, and consequently increased the scope of the controlled trading.

The new British policy of seizure of German exports on the high seas has had the effect of turning local demand to other sources of supply, chiefly Canada and the United States. Government regulation of United States shipping has tended to enhance Canada's opportunities, but the volume of shipments from the Dominion is in turn limited by her own wartime requirements and by the natural desire to favour Great Britain, an old established and more important purchaser.

Although Eire is distinctly a sellers' market at present, importers still call for c.i.f. quotations, and sales of Canadian products are handicapped by even f.o.b. steamer terms. It should be possible for Canadian exporters to ascertain the current ocean, etc., freight rates on their goods, also the marine and war-risk insurance rates. On the other hand it is most difficult, if not impossible, for importers in Eire to calculate the landed cost of goods purchased in Canada, and they can hardly be expected to be responsive to unsatisfactory quotations, especially when these are in competition with other offerings on a c.i.f. Dublin basis.

Another factor at present handicapping Canadian exports to this market is the frequent insistence on the part of exporters in the Dominion on payment in United States dollars. This often arises from a misconception of the requirements of the Canadian Foreign Exchange Control Board. Importers in Eire are naturally suspicious of firms that insist on payment in United States currency, and they accept their terms only when there are no competitive offers.

COMMODITIES IMPORTED FROM GERMANY

An examination of the official (Eire) statistics show that a wide variety of German goods is imported into Eire. These totalled in value £1,479,267 in 1938 as compared with £1,431,389 in the previous year. In addition there were imports from Czecho-Slovakia and Poland in these years. Imports from Czecho-Slovakia were valued at £218,164 in 1938 and at £253,114 in 1937, and purchases from Poland at £162,700 and £258,870 respectively.

Subjoined are quantities and values of the major items imported from Germany into Eire in 1937 and 1938, classified under general headings, with comments where required:—

DRINK

The chief items under this heading consist of lager and light wines as shown by the following figures:—

	Quantity		Value	
	1937	1938	1937 £	1938 £
Total imports . . . . .	.....	.....	12,874	13,517
Ale, beer and porterStd. brl.	1,859	1,909	7,656	7,744
WinesGal.	5,893	6,447	4,339	4,904

NON-METALLIFEROUS MINE AND QUARRY PRODUCTS AND MANUFACTURES

All the items in this group show declines from the values for 1937, with the exception of plaster of paris which is used by local factories for the manufacture of plaster slabs for house construction purposes. Electrical ware is comprised chiefly of telegraph insulators; domestic crockery (glazed) is largely cooking utensils, and domestic glassware is in the form of fancy electric lighting fixtures. The relatively large cement imports are to meet requirements in connection with housing schemes in operation, pending the availability of local supplies from the Irish cement factories now in full production. Imports were as follows:—

	Quantity		Value	
	1937	1938	1937 £	1938 £
Total imports . . . . .	.....	.....	120,283	93,696
Electrical wareCwt.	4,382	4,262	9,264	7,819
Domestic crockery, glazed . . .Cwt.	5,124	1,341	19,115	9,048
Domestic glassware, illuminating .Cwt.	4,273	3,135	13,674	10,115
Domestic glassware, other sorts .Cwt.	3,440	3,264	10,787	10,284
Glass bottles and jarsGross	7,141	6,650	2,588	2,495
Cement, hydraulicTon	22,419	14,959	38,812	28,240
CokeTon	2,924	1,794	6,308	4,535
Plaster of Paris (including gypsum), other descriptions . . . . .	....	....	4,857	6,765

IRON AND STEEL AND MANUFACTURES

Bars and rods are used for reinforcing purposes by the building trades; tubes, pipes and fittings are largely for water works and underground telephone lines; wire and wire manufactures consist chiefly of domestic and household devices, and netting fencing wire; baths are mainly of the light zinc types; manufactures of tinplate are mostly saucepans, kitchen utensils, butchers' hooks, etc. Practically every hardware firm in Eire carries stocks of German tools, including, hammers, axes, saws, pliers, spanners, scissors, stocks and dies, turn-screws, drills, braces, etc. Imports are shown in the following table:—

	Quantity		Value	
	1937	1938	1937 £	1938 £
Total imports . . . . .	.....	.....	107,823	103,485
Bars and rodsTon	1,636	987	15,757	10,672
Constructional work, fabricated .Ton	6	240	291	14,848
Constructional work, not fabricatedTon	397	583	6,198	7,197
Railway materialTon	204	423	3,444	6,851
Tubes, pipes and fittings . . .Cwt.	29,405	21,968	13,927	11,714
Wire and wire manufactures.Cwt.	13,925	8,196	15,367	11,688
Bolts, nuts and screws . . .Cwt.	2,521	1,536	4,431	2,680
BathsCwt.	....	5,461	....	11,119
Nails, tacks, etc.Cwt.	6,121	1,792	5,956	2,875
Manufactures of tinplate . . . . .	....	....	15,904	7,994

NON-FERROUS ORES, METALS, AND MANUFACTURES

Brass, bronze and gunmetal manufactures cover such an extensive list of articles that they cannot be separately classified. One of the major items is,

however, copper wire in coils for use in the manufacture of springs for upholstering work. Following are the figures of imports:—

	Quantity		Value	
	1937	1938	1937 £	1938 £
Total imports.. . . .	....	....	32,065	31,207
Aluminium .. . . .Cwt.	1,049	477	10,657	6,186
Brass, bronze and gunmetal manufactures .. . . .Cwt.	587	756	4,352	5,310
Copper plate, etc.Cwt.	964	846	3,047	2,587
Copper wire in coils.. . . .Cwt.	1,701	2,451	6,677	8,715

CUTLERY, HARDWARE, IMPLEMENTS, AND INSTRUMENTS

Hardware, other than hollow-ware, is comprised of a variety of lines and cannot suitably be itemized. Scientific instruments and appliances consist chiefly of optical and surgical appliances, microscopes, field glasses, etc. Imports were as follows:—

	Quantity		Value	
	1937	1938	1937 £	1938 £
Total imports..	78,921	79,373
Cutlery, etc., and parts	2,912	4,186
Razors (including blades and blanks)	5,460	3,388
Other cutlers' wares..	5,133	3,033
Hardware, other than hollow-ware.Cwt.	2,014	2,236	9,763	11,182
Carpenters' and joiners' tools..	4,029	3,809
Engineers' tools	7,704	9,800
Other tools and parts	8,589	6,563
Scientific instruments and appliances	16,266	18,040
Clock and watch parts	17,100	17,944

MACHINERY AND ELECTRICAL GOODS AND APPLIANCES

Dairy machinery (other sorts) comprises churns, milk pumps, etc. With regard to electrical equipment and supplies, the market in Eire favours German products owing to the local hydro-electric scheme having been constructed by German engineers. One prominent German electrical firm maintains a branch in Dublin and works in fairly close conjunction with the Electricity Supply Board at Dublin, which is responsible for the distribution of practically all the electricity used in this country. Electrical machinery consists of an assortment of lines, including, dynamos, motors, and replacement parts for use in new factories, the Shannon Power Scheme, and the new installations for the Poulaphouca (water and power) reservoir now under construction near Dublin. Electric wires and insulated cables are mostly German-made because of the local Electricity Supply Board's virtual monopoly in this country and their old established connection with German firms. Details of imports are as follows:—

	Quantity		Value	
	1937	1938	1937 £	1938 £
Total imports .. . . .	....	....	423,655	607,377
Boiler and boiler-house plant.Cwt.	1,261	20,449	3,352	60,968
Counter machinery .. . . .Cwt.	101	153	3,935	4,472
Cranes, hoists, etc.Cwt.	2,271	563	7,824	2,607
Dairy machinery, cream separators .. . . .No.	74	26	4,782	2,590
Dairy machinery, other sorts.. . . .	....	....	5,626	10,656
Electrical machinery .. . . .Cwt.	11,496	18,645	63,733	104,117
Grain milling machinery.. . . .Cwt.	4,748	429	16,453	3,613
Hosiery and knitting machinery .. . . .Cwt.	1,342	662	18,243	8,194
Other textile machinery .. . . .Cwt.	3,362	1,101	16,365	7,792
Printing machinery .. . . .Cwt.	796	414	12,304	5,724
Sweet-making machinery.. . . .Cwt.	228	1,083	2,240	6,039
Woodworking machinery.. . . .Cwt.	1,175	1,209	7,097	6,756
Other machinery.. . . .	....	....	91,839	95,873

	Quantity		Value	
	1937	1938	1937 £	1938 £
Electric wires and cables insulated	60,569	159,912
Wireless telegraphy apparatus and parts	6,623	4,459
Electric lamps, lighting accessories and parts	32,262	43,318
Electric measuring instruments and apparatus	16,176	24,324

VEHICLES (INCLUDING LOCOMOTIVES AND SHIPS) AND PARTS

German motor vehicles were popularized by the German team competing in the Irish motor races a few years ago, and since then the low-powered German cars Adler and Opal have found a fair market. The machines entered for the races were apparently specially built, and sales of the two types mentioned have now fallen away again, as they did not appeal to the public for private and commercial use. Imports in this group were as follows:—

	1937	1938
Total imports	£66,002	£49,639
Railway and tramway vehicles and parts	6,288	6,648
Motor vehicles, and parts	28,962	17,507
Cycle parts	27,864	21,300
Other vehicle parts	2,830	4,156

TEXTILES, EXCEPT APPAREL

Art silk manufactures consisted chiefly of woven art silk in the piece for use in the local clothing factories. Following are details of imports:—

	Quantity		Value	
	1937	1938	1937 £	1938 £
Total imports	....	....	54,100	62,565
Piece-goods of cotton..Sq. yd.	130,810	711,942	6,872	19,249
Cotton blankets ..Pair	40,973	1,651	4,465	108
Woollen and worsted tissues.Sq. yd.	67,699	42,267	8,333	5,852
Union piece-goods ..Sq. yd.	72,111	58,704	9,983	8,281
Art silk manufactures ..	....	....	17,798	20,060

APPAREL

Imports under this heading were as follows:—

	Quantity		Value	
	1937	1938	1937 £	1938 £
Total imports	....	....	80,574	67,886
Outer garments	....	....	3,201	7,547
Gloves ..Doz. prs.	24,507	18,207	13,119	9,936
Stockings, art silk ..Doz. prs.	23,249	22,780	17,368	17,306
Stockings, other sorts ..Doz. prs.	44,820	18,446	28,371	11,265
Underwear	....	....	4,849	2,814
Fancy hose of wool ..Doz.	1,833	2,458	3,534	8,564
Fancy hose, other sorts ..Doz.	1,546	2,869	2,088	3,681

HIDES, SKINS, FUR SKINS, LEATHER AND MANUFACTURES

Imports in this group were as follows:—

	Quantity		Value	
	1937	1938	1937 £	1938 £
Total imports	....	....	28,442	16,435
Leather, undressed ..Cwt.	431	143	12,195	3,989
Leather, dressed, upper leather.Cwt.	170	172	7,698	4,757
Leather, dressed, other sorts..Cwt.	55	72	3,761	2,516
Fancy leather goods	....	....	3,965	3,434

RUBBER AND RUBBER MANUFACTURES

The items under this heading were largely cheap rubber mats for floor covering, balloons, rubber toys, rubber gloves, and other household rubber lines.

The total imports in this group in 1937 and 1938 were valued at £4,338 and £3,435 respectively.

PAPER AND CARDBOARD

Imports into Eire from Germany of paper and cardboard were as follows:—

	Quantity		Value	
	1937	1938	1937	1938
			£	£
Total imports . . . . .	.....	.....	101,863	65,512
NewsprintCwt.	24,412	16,326	10,937	8,727
Packing and wrapping, glazed.Cwt.	43,135	6,984	30,129	5,475
Vegetable parchment and grease-proof paperCwt.	7,405	3,267	10,567	6,120
Coated papersCwt.	3,557	1,637	3,717	2,173
Cardboard and pasteboard .Cwt.	39,236	31,556	30,329	26,827

OILS, OIL SEEDS, FATS, ETC. AND MANUFACTURES

Imports of refined oils were valued at £6,935 and £10,889 in 1937 and 1938 respectively out of total imports worth £11,101 and £14,127.

FERTILIZERS

Following are the figures for imports of fertilizers, chemicals, drugs, etc:—

	Quantity		Value	
	1937	1938	1937	1938
			£	£
Total imports . . . . .	.....	.....	75,056	40,164
Basic slag.. . . .Ton	.....	4,150	.....	11,579
Kainit.. . . .Ton	7,369	1,298	16,611	2,960
Potash manure saltsTon	8,931	2,545	30,851	10,571
Muriate of potash.. . . .Ton	3,347	1,672	24,802	12,205

CHEMICALS, DRUGS, PERFUMERY, DYES AND COLOURS

	Quantity		Value	
	1937	1938	1937	1938
			£	£
Total imports . . . . .	.....	.....	62,778	60,849
Disinfectants, etc. (including weed-killers)Cwt.	505	1,103	2,497	5,907
Sodium compounds.. . . .Cwt.	4,862	5,496	4,476	6,061
Perfumery, cosmetics, etc... .Cwt.	.....	.....	3,877	3,286
Medicines and medicinal preparations . . . . .	.....	.....	11,523	9,650
Dyes and dyestuffs.. . . .Cwt.	1,217	1,144	11,294	10,933
Painters' colours and materials.Cwt.	25,013	23,972	15,866	12,317

MISCELLANEOUS ARTICLES

Items included under the heading "fancy goods" consist mainly of cigarette lighters, cigarette cases, flint guns for gas-lighting, measuring rules, and numerous small novelty lines. Musical instruments comprise pianos, piano accordions, harmonicas, saxophones and a variety of other small instruments. Imports were as follows:—

	Quantity		Value	
	1937	1938	1937	1938
			£	£
Total imports.. . . .	.....	.....	146,629	144,190
Seeds for sowing, sugar beet.Cwt.	6,081	4,328	13,910	9,738
Fancy goods.. . . .	.....	.....	10,867	10,925
Artificial flowers . . . . .	.....	.....	3,967	4,301
Haberdashery, hard.. . . .	.....	.....	9,599	8,447
Lamps and lanterns (except electric) . . . . .	.....	.....	4,639	4,633
Musical instruments, wind .No.	6,227	8,134	6,733	7,372
Musical instruments, other.. .	.....	.....	7,443	6,678
Printed matter on paper for reading purposes . . . . .	.....	.....	3,633	3,920
Religious articles of metal . . .	.....	.....	3,093	5,125
Rice starchCwt.	5,672	4,316	4,399	3,267
Stationery, pens, pencils, etc... .	.....	.....	3,995	4,306
Dolls and soft toysDoz.	17,891	32,810	5,456	11,962
Metal toys, mechanical . . .Doz.	18,867	21,021	7,805	9,609
Wooden toys and games . . . .	.....	.....	2,853	4,425
Other kinds of toys and games .	.....	.....	15,333	9,651
Vacuum flasks and parts . . .No.	140,346	66,522	4,724	2,434

AUSTRALIAN WHEAT AND FLOUR

FREDERICK PALMER, CANADIAN TRADE COMMISSIONER

(See Mr. Palmer's cable dated January 16 in *Commercial Intelligence Journal* No. 1877)

Melbourne, December 15, 1939.—Harvesting of the 1939-40 crop has commenced and large yields are being obtained in most sections. The crop estimate has accordingly been revised upwards, a recent estimate placing production at 182,568,000 bushels. [Mr. Palmer cabled on January 16 that the crop is now estimated at 186,543,000 bushels].

In spite of the steps taken by the Australian Government to acquire the whole of the Australian harvest, the disposal of the crop or its adequate storage is likely to cause some difficulty. Lack of storage facilities is a more or less normal experience in good cropping years, but in spite of an increase this year in the storage space provided by grain elevators, difficulties this season will be accentuated by shortage of ships to lift the grain and by limitation of available markets.

The limit of wheat prices guaranteed by the Federal Government through the Wheat Board has now been raised to 2s. 10½d. a bushel on bagged wheat and 2s. 8½d. a bushel on bulk, both less rail freight. This is equal to an average of 2s. 6d. a bushel on bagged wheat at country railway sidings, which will be paid in one amount as soon as practicable after delivery of the wheat. Payments to the growers will be made by means of a certificate, to which will be attached a coupon for each advance payable. A grower will receive the actual payment upon lodging the coupon with his bank.

Arising from the prospects of an accumulation of an unmanageable surplus of wheat stocks in Australia, is a proposal of the Federal Government to apply a plan to control wheat production in Australia before next year's crop is planted. The degree of restriction will not be decided until shortly before the planting season, and will be fixed in the light of shipping experience over the coming harvest and of the estimated requirements from the 1940-41 harvest.

Three means of controlling sowings are said to be under consideration, viz:—

A licensing system, which, it is believed, could be applied as a war measure under the wide powers conferred by the National Security Act.

An agreement with the State Governments to compel growers to reduce sowings to an agreed acreage.

A warning by the Federal Government that Commonwealth assistance for the industry will not be made general over next year's crops, but will be given only to growers who undertake not to plant more than a maximum specified area.

LYONS SPRING FAIR, 1940

For the information of interested Canadian firms the office of the Canadian Commercial Attaché in Paris advises that the Lyons Spring Fair, an annual international exhibition, will be held from April 13 to 21, 1940.

Although no official participation in this fair by the Canadian Government is contemplated, interested Canadian exporters are invited to arrange for exhibits of their products through their representatives in France in co-operation with the Canadian Commercial Attaché, 3 rue Scribe, Paris (9).

CHANGED TRADING CONDITIONS IN EGYPT

HENRI TURCOT, CANADIAN TRADE COMMISSIONER

(£E.1 is equal to about \$4.66 Canadian)

Cairo, December 11, 1939.—Great Britain's entry into war led to the breaking off of diplomatic and commercial relations between Egypt and Germany and the territories in enemy occupation, thereby forcing Egyptian importers to look for new sources of supply to replace Germany, Austria, Czecho-Slovakia, and Poland.

In 1937, 1938, and the seven months ended July 31, 1939, imports into Egypt from Germany (the leading source of supply after the United Kingdom), Austria, Czecho-Slovakia and Poland were valued at £E.5,690,815, £E.4,894,843, and £E.2,707,236 respectively out of total imports valued at £E.38,038,000, £E.36,934,000 and £E.19,650,523 respectively, indicating the importance of these countries in Egypt's import trade and the extent of the gap in the value of imports to be filled in by supplies from other countries.

In addition to the elimination of enemy territories as sources of supply for Egypt, the war has brought about such disturbances in shipping activities as to stop, partially or totally, the outflow of goods from various other countries to Egypt, while in certain cases export prohibitions also affect the country's import trade.

It is difficult to gauge accurately the results of the changed trading conditions in Egypt. The fact remains that there is a large market available, and it is possible that Canada, now that the factor of price is no longer of prime importance, can obtain its full share of the opportunities offered. It is apparent from the numerous inquiries received of late at the Cairo office that great interest in Canada as a possible source of supply for a number of products has developed in Egypt, and it is to be hoped that there will be a ready response from Canadian exporters.

EGYPTIAN IMPORTS

Imports into Egypt from Germany, Austria, Czecho-Slovakia, and Poland, in 1937, 1938, and the seven months ended July 31, 1939, were distributed as follows according to Egyptian official statistics:—

<i>Total Imports</i>			
From:	1937 £E.	1938 £E.	Jan.-July 1939 £E.
Germany	4,198,061	3,735,010	2,286,069
Austria	371,145	232,028	*
Czecho-Slovakia	738,092	577,191	227,985
Poland	383,517	350,614	193,182
Total	5,690,815	4,894,843	2,707,236

* Included in figure for Germany.

In order to furnish Canadian exporters with a fairly adequate picture of the sales possibilities for their products in Egypt as a result of the cutting-off of imports from Germany, Austria, Czecho-Slovakia, and Poland, statistical information has been compiled covering the commodities of interest to Canada, which were imported into Egypt from these countries in 1937, complete statistics for 1938 not having yet been published.

The total value of the items of interest to Canada imported from Poland, the least important of these sources of supply, was £E.383,517 distributed as follows:—leather and leather goods, £E.304; timber, £E.785; wood, veneering, ply, £E.45,769; cardboard, £E.154; paper, packing, £E.3,277; paper and board, other, £E.410; artificial silk fabrics, pure, £E.195; artificial silk articles, mixed,

£E.2,001; porcelain wares, etc., £E.819; bars, iron or steel, £E.55,486; wire, iron or steel, £E.200; sheets, iron or steel, common, £E.3,812; sheet-iron or steel manufactures, £E.5,585; wire nails, rivets, and hooks, £E.2,257.

Imports from the other three countries were as follows:—

Egyptian Imports by Commodities in 1937

	Germany £E.	Austria £E.	Czecho- Slovakia £E.
Total	4,198,061	371,145	738,092
Medicinal preparations	88,676	870	313
Other chemicals	108,729	.....	.....
Paints and varnishes	15,025	1,487	2,953
Pencils	7,362	.....	2,598
Nitrate of calcium	706,705	.....	.....
Leather and leather goods	31,863	6,855	15,074
Fur skins	5,189	.....	.....
Motor tires	3,070	.....	5,603
Cycle tires	4,041	.....	.....
Soft rubber goods	5,432	.....	1,688
Timber	5,072	988	.....
Wood, veneering, ply . . . . .	.....	1,709	.....
Doors, etc., wooden	6,375	.....	.....
Cardboard	43,891	20,953	427
Paper, packing	58,377	14,598	2,443
Paper, packing, sulphurized, etc.	4,787	1,135	2,345
Newsprint	23,680	6,807	.....
Paper and board, other	107,193	76,193	11,979
Artificial silk fabrics, pure	23,196	6,261	19,564
Artificial silk articles, mixed	7,410	770	4,804
Socks and stockings, silk	5,695	.....	1,213
Socks and stockings, artificial silk	7,248	.....	3,681
Hosiery, artificial silk	7,329	.....	2,202
Hosiery, wool	13,908	5,578	7,023
Underclothing, ready-made, cotton . . . . .	.....	.....	4,180
Socks and stockings, cotton	8,351	1,080	9,752
Hosiery, cotton	17,496	1,369	11,241
Footwear . . . . .	.....	.....	25,397
Emery paper	3,252	.....	.....
Asbestos	3,635	626	.....
Sanitary appliances	4,172	.....	.....
Porcelain wares, etc.	21,816	1,735	20,467
Bars, iron or steel	46,166	.....	54,990
Rails, fish-plates and railway sleepers, iron	48,295	29,354	2,782
Wire, iron or steel	8,722	.....	.....
Sheets, iron or steel, common	21,964	3,608	9,159
Sheets, iron or steel, galvanized	10,825	.....	.....
Hoops, iron or steel	41,578	274	.....
Pipes, non-malleable, cast-iron	16,565	.....	.....
Baths, enamelled	3,721	830	935
Stoves, cast-iron	8,438	.....	.....
Tubes and pipes, iron or steel	75,839	.....	5,757
Structures, iron or steel	10,715	.....	.....
Manufactures, sheet-iron or steel	15,809	.....	14,444
Saws	3,535	.....	.....
Tools for machine tools	3,085	.....	.....
Tools, other	16,120	.....	.....
Nails	3,193	.....	688
Wire nails, rivets and hooks	20,096	.....	1,332
Screws	17,401	2,516	.....
Cables and rope, iron	4,306	.....	.....
Wire netting, iron or steel	4,687	4,337	.....
Wire gauze, iron, galvanized	5,756	497	.....
Locks and padlocks, iron	7,244	599	.....
Articles, iron, for furniture, etc.	18,001	424	410
Tables, chairs, etc., iron or steel	3,697	633	796
Needles	4,230	.....	.....
Springs for bedsteads and furniture	3,529	.....	.....
Copper bottoms, etc.	152,605	.....	.....
Tubes and pipes, copper and brass	20,129	1,078	.....
Cables and rope, copper wire	4,305	.....	.....
Gauze, copper wire	8,494	.....	.....
Locks and padlocks, copper or brass	10,304	.....	.....
Wares, copper, for furniture, etc.	21,420	999	.....
Wares, nickel, not specified	24,061	541	.....

Egyptian Imports by Commodities in 1937-Concluded

	Germany £E.	Austria £E.	Czecho- Slovakia £E.
Aluminium, leaves, thin	7,026	1,503	.....
Aluminium articles, household, etc.	5,121	.....	.....
Razors	4,973	.....	.....
Safety-razor blades	8,692	.....	.....
Lighting apparatus and lustre-makers' wares	19,477	3,433	787
Stoves, petroleum, for cooking	6,339	.....	.....
Heaters, etc.	5,459	.....	.....
Pumps, stationary, steam or internal combustion	5,069	265	1,674
Engines, stationary, internal combustion	40,516	.....	786
Parts of engines and pumps	8,267	267	.....
Locomotives and tenders	10,636	.....	.....
Tractors	43,898	.....	.....
Machine tools	9,272	501	.....
Machines, knitting and weaving	42,528	647	878
Sewing machines	5,279	.....	.....
Machines, printing	11,417	872	.....
Machinery, agricultural	5,620	716	2,249
Machinery, flour-milling	8,045	.....	.....
Machinery, not specified	44,962	772	4,256
Pumps, hand	4,970	.....	.....
Batteries	6,684	.....	.....
Lamps, electric	8,201	1,479	.....
Radio receiving sets	9,731	2,492	.....
Electric apparatus for domestic use	3,647	1,496	.....
Wire and cable, electric, insulated	36,384	.....	522
Articles for electrical use, porcelain	3,404	.....	1,494
Tubes, insulating with metallic cover	5,025	.....	.....
Apparatus, electric, not specified	38,406	1,496	394
Wagons, railway, goods, etc. . . . .	.....	.....	33,247
Wheels, axles and hubs for railway use	6,295	.....	3,200
Bodies and bogies, railway	5,072	.....	.....
Motor cars and chassis	41,646	.....	2,466
Motor buses and chassis	32,612	.....	.....
Motor lorries and chassis	25,102	.....	.....
Parts for automobiles	6,146	.....	.....
Apparatus, medical, surgical, etc.	12,743	416	.....
Apparatus, photographic and cinematographic	31,195	742	.....
Pianos	6,508	459	.....
Parts and accessories for musical instruments	3,338	.....	.....
Brushes, paint	5,026	215	.....
Games and toys	16,088	427	677
Buttons	6,762	1,309	7,132
Pen-holders, fountain-pens, etc.	7,194	.....	532

OPPORTUNITIES FOR CANADIAN EXPORTERS

The interest shown by Egyptian importers with respect to Canada as a source of supply for products previously imported from Germany and the countries in enemy occupation and from countries experiencing difficulties in shipping to Egypt has so far centred more particularly around the following commodities: newsprint; printing, writing, and wrapping paper; cardboard; timber for building purposes; plywood; veneers; insulating board; railway sleepers; iron and steel products generally; railway equipment; steel rails; chemicals; medicinal preparations; paints and varnish; leather; furs; rubber manufactures, including tires; automotive equipment; electric apparatus; agricultural machinery; and foodstuffs generally, including canned fish, canned fruit, canned vegetables.

It is not possible to enumerate all the products for which, under existing conditions, there may be a demand in Egypt from Canada. Broadly speaking, however, there are opportunities for the sale of foodstuffs, manufactured goods, and timber. An outlet is afforded Canadian manufacturers in a position to supply, who must regard the Egyptian market not in the light of past experience but in that of present conditions.

EXCHANGE CONTROL

Exchange control has been in force in Egypt as from September 28 last, but foreign exchange is readily available for ordinary business transactions (see *Commercial Intelligence Journal* No. 1865: October 28, 1939, page 804).

QUOTATIONS AND TERMS OF PAYMENTS

Prior to the war it was customary for Egyptian importers to demand c.i.f. quotations, the best terms of payment to be obtained being cash against documents on presentation. Now it is possible to effect business on an f.o.b. or f.a.s. basis, freight, insurance and war risks being chargeable to buyers, while exporters may quote against letter of credit.

WARTIME IMPORT TRADE CONDITIONS

The war has brought about serious disturbances in Egypt's import trade, caused by the cutting off of various sources of supply, increased prices abroad, higher freight and insurance rates, uncertainty regarding shipment and delivery, the system of export licences adopted in different countries, high cost of cables, delays in mails, and the tightening of credits. Buyers, however, have endeavoured to cope with the new situation by making the best of the existing difficulties and by seeking new avenues of trade. There appears to be no acute shortage of any products of prime necessity, but stocks have to be replenished.

Interested Canadian producers are invited to communicate with the Canadian Trade Commissioner at Cairo.

HYDRO-ELECTRIC POWER DEVELOPMENT IN INDIA

PAUL SYKES, CANADIAN TRADE COMMISSIONER

Calcutta, November 6, 1939.—A report on Irrigation in India published in *Commercial Intelligence Journal* No. 1876 (January 13, 1940), referred to the natural association between irrigation policy in this country and the demand for hydro-electric power.

The storage and distribution of water is essential to the satisfactory development or continuation of agricultural work in many parts of India. In the same way the steps already taken and those now contemplated to extend India's manufacturing industries have created an appreciable demand for cheaper power than can be supplied from coal and point to the desirability of utilizing for this purpose the natural resources available in several parts of the country and of making similar use of the power available from artificial water storage. Hydro-electric power development in India is as yet among the smaller industrial undertakings, but appears assured of an important future. The following report summarizes the situation in this industry to-day.

WATER-POWER RESOURCES

India is less favoured than many other countries so far as water-power resources are concerned. A large proportion of the total area is flat land, very little above sea-level, while many of the rivers are seasonal. Such reserves of water as are available are also, in various instances, far distant from the principal centres of population and industry. Numerous areas in the Himalayas and subsidiary systems are still admirably adapted for the storage of water for use in hydro-electric schemes, while many areas in Bombay, Madras, and Mysore are also suitable for this purpose.

No comprehensive survey of India's available water powers has yet been completed, although a general review of the position was made some twenty years ago. It was estimated at that time that one and three-quarter million horse-power could be developed from various sites exclusive of those on tributaries of the Indus. This figure should be regarded, in the light of subsequent investigations and technique in production, as a conservative estimate. Resources which have been surveyed, and several which have since been actually developed, indicate a considerably greater capacity.

DEMAND

Although India will undoubtedly remain a country in which agriculture will predominate among all activities and enterprises, there has already been a marked increase in manufacturing, stimulated in the first instance during the Great War and subsequently encouraged by the Central and Provincial Governments as well as by various political elements seeking a greater degree of economic independence for the country than has hitherto been achieved. Although many of India's industries are so small that electric power development on an extensive scale has not been justified by their consumptive capacity, several of them, such as the Bombay cotton mills, provide a worthwhile market for power, while the availability of electric energy at comparatively low cost will also undoubtedly encourage the establishment of many new undertakings.

It was estimated in 1919 that existing industries consumed something over one million horse-power per year and that of this amount slightly over one-quarter was in the form of electric energy produced from coal, oil, or water. These figures have since been greatly increased, particularly in the case of total demand and the proportion supplied in the form of electricity, but accurate data regarding them, apart from those for the present capacity of hydro-electric plants now in operation, are unobtainable.

STEAM POWER

India possesses large reserves of coal suitable for conversion into electric energy. These constitute an important factor affecting the development of water-power resources. Most of these coal deposits are in Bengal and the adjoining districts of Chota Nagpur. While they are of inestimable benefit to the industries in these areas, transportation charges to western and southern parts of the country are excessive and have reached a point where all possible advantage must be taken of alternative power resources. It is therefore apparent that, whereas Calcutta and the other cities and industrial districts of the low-lying parts of eastern India will continue to utilize steam power, the trend in many of the other industrialized areas will be towards hydro-electric energy.

DEVELOPMENT OF THE INDUSTRY

The development of hydro-electric power production in India has been associated in several instances with irrigation projects. Water storage schemes designed to supply agricultural lands during the dry season have been extended and improved so as to enable the flow to be converted into electric energy without affecting the supply to agricultural areas. In some cases these plants cannot operate at full capacity during the year owing to insufficient water supplies, but where possible they are being extended to permit of perennial use. In other instances power has been developed as an independent commercial enterprise, water storage facilities in the Bombay district having been developed to a point where all the larger steam plants have been shut down in favour of the cheaper power obtainable from hydro-electric stations.

The first hydro-electric power scheme undertaken in India was in Mysore State in 1902. A suitable site on the Cauvery river, which rises in the Western Ghats and flows across the state, was developed, and a large proportion of the output was carried a distance of 92 miles to the Kolar gold fields, where it enabled substantial reductions in operating costs.

PRESENT CONDITIONS IN THE INDUSTRY

Hydro-electric power development in Mysore remained for some years the only undertaking of the kind in the whole of India. The original installation has been successively extended and improved until its capacity is now 46,000 h.p. Current is distributed to the cities of Bangalore and Mysore, several hundred towns and villages throughout the state, and a considerable number of industrial plants. Increasing demands from these and other consumers have led to the surveying of two additional sites, and it is anticipated that these will be developed shortly and bring the total output of the state's developments to 89,000 h.p.

The largest hydro undertakings in India are those begun some 25 years ago by Tata Sons Ltd. in Bombay province. This enterprising and wealthy organization visualized the benefits of cheap power to Bombay's main industries, as well as the natural advantages of the lakes and elevation of the mountainous country of the Western Ghats. The first of these schemes, utilizing the storage facilities in these lakes and providing 64,300 h.p., was opened in 1915. A second development on the Andhra river, which provides the same amount of power, was put into operation in 1922, while a third scheme on the Nila-Mula river, which has a capacity of 117,000 h.p., was inaugurated in 1927. The co-ordinated operation of these plants has been one of the principal factors in Bombay's marked industrial growth during recent years.

Madras province is second to Bombay as a producer of hydro-electric power. The Pykara scheme is based on available supplies of water from the river of the same name in the Nilgiri district. The development, begun in 1932, was for some time dependent on an irregular flow, but the construction of additional reservoirs has eliminated these obstacles, and further natural reserves can still be utilized. The scheme provides some 60,000 h.p., a large part of which is supplied to the city and industries of Coimbatore. A second development in Madras province began operation in 1937. It is based on water storage, primarily for irrigation purposes, provided by the Mettur-Stanley dam, and is one of the plants which cannot at all times operate at full capacity owing to variations in the volume of water available. Alterations and extensions are now under way, and a total output of 25,000 h.p. is expected to be available shortly. Irregularities in output are nullified to some extent by co-ordination with the Pykara scheme and by the use of auxiliary steam equipment. A third scheme is now in course of development. It is based on available water-power reserves along the Tambraparni river in the Tinnivelly district and when completed is expected to provide a substantial addition to the two existing systems and, in association with them, to supply the bulk of the electric energy required in the Tinnivelly and Madura districts.

Of lesser importance but still significant of developments in this industry are hydro-electric power schemes in the Punjab, the United Provinces, and Kashmir. The Uhl river scheme in the Punjab, which is still in course of extension, furnishes power to Lahore, Amritsar, Ludhiana, and Moghalpura. When completed its output is expected to amount to 150,000 h.p. and to be available throughout all important districts in the province. It will also enable a large expansion in cultivable areas through the extension of tube-well irrigation. The Ganges Canal hydro-electric scheme in the United Provinces is of importance as an aid to irrigation through the provision of power for

the operation of pumps rather than as a supply of energy for other industrial uses, but it still serves some 75 towns and the small industries in them. The remaining development which merits mention is on the Jhelum river in Kashmir State. Some 20,000 h.p. are developed at this plant and distributed in Baramulla, Srinagar, and to various state and private industrial plants.

Altogether the hydro-electric plants now in operation or in course of construction in India provide some 600,000 h.p. of electrical energy for domestic and industrial consumption in various parts of the country. The value of large supplies of cheap power as a factor in India's social and industrial development are generally appreciated, and it is to be expected that as far as her resources will permit the extension of these facilities will be systematically carried out.

MARKET FOR ELECTRIC GENERATING AND TRANSMISSION EQUIPMENT

It will be appreciated from the above summary of the development of hydro-electric power in this country that there is a considerable market for generating and transmission equipment. Canada has participated in this trade to a very small extent, but there appear to be prospects of Canadian engineering and manufacturing firms securing a larger share of future business than has been obtained to date. So far as the survey and design of sites and developments is concerned the situation wherein demand for power has to be created rather than met limits the opportunity available to overseas consultants and engineers to a comparatively small number of instances, most work of this type being carried out by the electrical engineering branches of public works departments of the Provincial or State Governments in collaboration with local firms. There may still be opportunities for Canadian firms to obtain contracts or concessions to do such work, and in these cases the fact of their having been engaged in Canadian developments would be of definite advantage.

The supply of generating equipment has in general been controlled by United Kingdom, United States, and German manufacturers and, although the market need not remain in their hands, this competition will be difficult to overcome. As regards transmission line equipment, Canadian firms have already supplied limited quantities of towers, insulators, conductors, and wire, but the volume of this trade is not believed to have been commensurate with Canada's position as a producer of these various materials. This has resulted to a large extent from lack of contact with the local market on the part of Canadian manufacturers as compared with the close degree of familiarity with local conditions maintained through local branch offices by numerous British, United States and German concerns.

Canadian engineering and manufacturing companies interested in Indian business of this nature are requested to inform the Canadian Trade Commissioner, Calcutta, in detail as to the goods or services which they have to offer to local consumers, their requirements as to local representation, and any specific information regarding local conditions which they may desire.

COMMODITIES PERMITTED ENTRY INTO ARGENTINA FROM CANADA

J. A. STRONG, CANADIAN TRADE COMMISSIONER

Buenos Aires, January 10, 1940.—The importation of merchandise into Argentina is controlled as to origin on the basis of existing bilateral trade agreements with the United Kingdom, Holland, Belgium, Italy and certain other countries. The principal supplying countries which have no agreements of this type are the United States, Japan and Canada. In principle, Argentina buys from those countries that buy her exports, which are mainly animal and

grain products, and will only permit an unfavourable balance of trade to be created with other countries like the United States and Canada in respect of goods that cannot be obtained normally, or as the result of conditions arising from the war, from her good customers.

Argentina has relaxed her import regulations since the outbreak of the war due to the difficulty or impossibility of getting supplies of certain necessities from previous sources, particularly from Germany.

GOODS ALLOWED TO ENTER FROM CANADA

Following is a list of goods which Argentina at present permits entry from Canada:—

Foodstuffs and Agricultural Products.—Coconuts; vegetable grease for soap; salted eels (small trade); herrings in brine (small Dutch trade); apples (quota); tinned sardines (a Spanish trade); olive oil; seeds (pea, beans); seed potatoes; live plants; cotton seed and leaf tobacco. Leaf tobacco is imported from the United States for blending with Argentine-grown tobacco.

Automotive Products.—Automobile accessories; motor cycle accessories; auto jacks; vulcanizing machines; motor polishers; shock absorbers; valve paste; patch materials; gasoline pumps; auto pumps; auto batteries and parts; brake lining. Automobiles and trucks are on a quota basis for the United States.

Rubber Goods.—Rubber belting; tire casings; rubber shoes.

Chemicals.—Chemicals and drugs of practically all classes.

Electrical Goods.—Mica tubes; armatures; electric hammers; switches; mantles; lamp holders; dry cells; cables; insulators; voltmeters; telephone apparatus; radio lamps; electric buttons and bells; carbons; brushes; insulating tape; commutators; meters; plugs; battery chargers; fuses; battery elements; small motors; porous jars; sockets; starters; reducers; resistance coils; switch boards; telephones; electric tubes; conduits; radio parts.

Metals.—Copper bars and ingots; tin piping; copper solder; copper rivets; bronze residue; copper residue; anti-friction metal; nickel plates; aluminium sheets; antimony metal; bronze powder; zinc powder; aluminium powder; iron for springs; zinc sheets; manganese; used rails; scrap iron; steel ingots; wire to 14 gauge plain; wire to 14 gauge galvanized; aluminium bars and sheets; bronze wire, bare; bronze pipes; steel chains; iron piping, soft; galvanized iron piping; black sheets; flexible copper tubing; copper wire; copper washers; copper packing; electrolytic copper; iron collars; axles; tin bars; iron bars; galvanized iron sheets and axles; lead packing; bronze wire; bolts and screws; copper mesh and enamelled wire.

Tools and Instruments.—Compasses; wood cogs; grease cups; keys; flanges; steam gauges; typesetters' boxes; iron perforators; carpenters' squares; pliers; planes; emery stones; hoes; bell claps; bits; clamps; anvils; carpenters' markers; shoemakers' tools; handles (hardwood normally from Gulf ports); grain testers; brushes; razor blades; saw accessories; chisels; short axes; wire pliers; trowels; thimbles; screw-drivers; hoof knives; diamond cutters; pipe cutters; shoe knives; forges; jacks; scythes; axes; adzes; sickles; forks; lamp solder; carpenters' pencils; augers; rasps; cutlasses; hammers; levels; shovels; picks; pruners; presses; punches; rakes; springs; saws; branding irons; solders; braces; taps and dies; scissors; lathes; saw sets; awls; stretchers; electricians' pliers; pipe clamps; washers; rings; meat spits; bearings; pump rings; lock; solder bar; screws; axle boxes; chains; bells; wooden taps; rivets; skewers; glue pots; hearths; candle pliers; bellows; rope guards; furnaces; chimney sets; lanterns; windlasses; measures; pulleys; curry combs; beer measures; lead seals; shafts; ventilators; wire brushes and valves.

Machines.—Cheque protectors; mimeograph machines; dump wagons; typewriters; calculating machines; farm implements (quota); air extractors; shoe-eye machines; polishers; stove polishers; letter punches; pumps; wool carders; compressors; cranes; distillers' machines and cloth cutters.

Textiles.—Jute thread; thrown silk thread; wool yarn; rayon thread; cotton thread and sewing thread.

Paper.—Newsprint; cardboard partly elaborated for posters, containers and playing cards; cellophane; toilet paper; silk paper; metallic paper; ferro-prussic paper; telegraph rolls; ink; ink wells; emery paper; parchment paper; oiled paper; cardboard; bristol board; cigarette paper; photo paper and wallboard.

Wood Products.—Excelesior; box shooks (largely local industry except oak); posts (obtained chiefly from Gulf ports and formerly from Baltic); casks; Douglas fir lumber; plywood and veneers.

Sundry.—Glass, plate and plain; printed music; paint cloth; celluloid sheets; pencil sharpeners; paint boxes; typewriter ribbons; erasers; automatic pencils; pencil lead; fountain pens; penknives; blotter handles; date stamps; chalk for schools; glass tubes; firearms; slates for billiard rooms; refractory wheels; wire for bottles; bottle caps; hangers; weights; bathroom fittings; tiles for bathrooms; lavatories; hair curlers; keyholders; sealing wax; driers; sponges; pumice stone; insecticide, liquid; auto clocks; watches; clocks; incubators; needles; pins; corset bones; buckles; optical goods; glass ashtrays; porcelain ashtrays; whistles; cigarette holders; pipes; amber; tortoise shell; ivory; ebonite; vulcanizing fibre; bakelite; hemp; waxed thread; paste for gramophone records; starch; chair fibre; rubber thread; bustles; fibre rope; enamelling earth; moulding earth; cotton waste; wicks; hair; movie films; cork; asbestos fibre; asbestos packing; fish hooks; bronze grease cups; boiler compound; rubber belting; binder twine; refractory bricks; canvas for tents; lithographic stones; nails; tacks; pipe blowers; pigment colours; oil burners and printing type.

FACTORS AFFECTING SALES

The importation from Canada of goods other than those named in the foregoing list is prohibited absolutely or their importation from Canada is restricted by quotas based on the volume of previous shipments to Argentina. In the case of commodities covered by import quotas, Canadian firms are automatically excluded if business had not been done before from Canada. Argentina may have to relax her import restrictions further if additional difficulties arise in getting supplies from Europe and the United Kingdom.

Any Canadian exporters interested in the specific lines from Canada listed above as permitted import into Argentina are invited to communicate with the Canadian Trade Commissioner at Buenos Aires.

WHEAT AND FLOUR TRADE OF IRELAND

JAMES CORMACK, CANADIAN TRADE COMMISSIONER

Dublin, November 30, 1939.—The growing of wheat in Ireland a century ago was so extensive that the country was a considerable exporter thereof, but overseas competition gradually compelled its reduction until she only produced a modicum of her own requirements ten years ago. When the new Fianna Fail government policy of self-sufficiency in Eire was established, and especially following the Agricultural Produce (Cereals) Acts of 1933, *et seq.* it was decided to try to grow and mill locally all the wheat required for domestic consumption. Subsequent efforts have been only partially successful, for wheat imports are still considerable, although flour imports have practically ceased except for some special flour for biscuit-making.

Wheat now follows oats as the second largest of the "corn" crops of Eire and comprises some 30 per cent thereof. The farmers were paid by the millers roughly £2,000,000 for last season's crop, despite the unfavourable wet weather. Owing to the compulsory admixture and milling thereof, and the terms of purchase, wheat in Eire is now a "cash crop" at a guaranteed minimum and profitable price of 35s. per barrel for 1940 as against 30s. 6d. per barrel for the past season's crop. Last year one-third of the total requirements of the country were met from local wheat as against 29 per cent for the previous year. The yield was well above that of 1938 and of good quality. Some samples bushelled as high as 66 pounds. Unfortunately, owing to the damp weather experienced between cutting and stacking, a good deal of sprouting took place in the stooks. Wheat-growing is therefore an established branch of the farming industry in Eire and will probably increase in extent, a larger acreage having been sown to wheat this year than last.

TYPES OF WHEAT GROWN

Winter and spring wheats are both grown successfully, and the following are some of the most common suitable varieties:—Queen Wilhelmina, Victor,

Juliana, Squarehead Master, Pojbjerg, Yeoman, Yeoman II, Red Marvel, Atle, and Diamont.

IMPORTS OF WHEAT

Following are the imports of wheat into Eire during the years 1936 to 1938 inclusive:—

	Volume			Value		
	1936	1937	1938	1936	1937	1938
	Figures in 1,000 Cwts.			Figures in £1,000		
Total	8,024	6,487	7,597	3,036	3,499	3,048
Great Britain	2	14	45	1	7	19
Soviet Russia	5	43	78	2	22	27
Argentina . . . . .	.....	169	.....	.....	79	.....
Canada	2,978	2,529	2,344	1,188	1,459	1,076
United States	289	667	2,599	106	335	1,009
Australia	4,361	3,059	2,433	1,619	1,592	894

Pacific (United States) wheat, being subsidized, was cheaper than Canadian wheat and has displaced the latter to a considerable extent. There is no export of wheat from Eire.

RESERVE OF WHEAT

Since the "crisis" of last year the Government has established a reserve of wheat to offset possible difficulty in obtaining normal imports. This reserve consists of 56,000 tons of various wheats—Canadian, Australian, Manitoban, Pacific, and Plate—and is over and above the stocks of home-grown wheat. It is hoped to maintain this reserve intact during the war, but if imports fail, any deficiency in domestic production will have to be made up therefrom.

GOVERNMENT CONTROL

Upon the outbreak of war, the Government of Eire created a new department, the Department of Supplies, to control imports and exports, to ensure essential supplies of raw materials for factories, to conserve necessities, and to check a rise in prices. Wheat was one of the first commodities to be dealt with by the department. It issued the Emergency Powers Distribution of Wheat and Maize Order (1939) and cancelled all the licences to import.

A new company—Grain Importers (Eire) Limited, Dublin—was created and was given the sole licence to import wheat, but it is to make no profit on its transactions. Distribution of wheat is primarily the function of that department and the new company carries out its orders. All wheat is bought by the company, although the grain merchants furnish the money to pay for their several requirements. The company allocates the wheat to the various Irish ports and distributes it to the grain merchants in the vicinity, who store and hold it at the company's disposal. The Department of Supplies (through the company) then direct distribution to the various millers.

Another Emergency Powers Order issued by the Department of Agriculture this month provides for compulsory tillage, whereby every occupier of 10 or more statute acres of arable land must in 1940 cultivate an area equivalent to not less than one-eighth of such land. The object of the department is to have an extra 200,000 acres under wheat in 1940, and they have stated that sufficient seed and fertilizer for the purpose will be made available to farmers.

OUTLOOK FOR 1940

The Government is desirous that the price of bread in Eire shall not increase and that further efforts be made to increase the reserve of wheat. Manitoban, owing to the shorter freight haul from Canada and the strong

claim to its being a necessity for making bread in Eire, should be in good demand. Normally some 2,000 tons of Manitoba wheat are used per week, so that it is confidently expected that Eire will purchase substantial quantities of Canadian wheat during the next year if it can be delivered. The average freight rate on wheat was 3s. per quarter (480 pounds), but quotations have risen to 11s. plus war and marine risks.

It has been suggested by the Government to the trade that the price of retail (home-baking) flour be kept as nearly as possible equal to that of bakers' flour. As the latter is largely made up of Manitoba or hard wheat, this should benefit imports at the expense of softer wheats, although quotations for Manitoba wheat are considerably higher.

WHEAT FLOUR

There are thirty-six flour mills in Ireland, licensed to mill a total of 4,271,663 barrels of wheat. This is the total quantity of both imported and domestic wheat normally milled into flour. The output of the thirty-six mills is 476·78 sacks per hour. The percentage of domestic wheat milled by the Irish mills for the twelve-month period ending August 31, 1939, by Government order is a little over 35 per cent. It is expected that this proportion will be increased to roughly 40 per cent for the coming cereal year in view of the large acreage planted to wheat.

Under the Agricultural Products (Cereals) Acts of recent years (1933-39), flour may only be imported into Eire under licence of the Minister for Industry and Commerce, and there have been no essential changes in the flour trade since the outbreak of war except in the matter of fixing prices. Licences to import have in practice been issued only to the large biscuit manufacturers, who state that they require a special type of flour which does not admit of their using local flour with its compulsory admixture of a percentage of home-grown wheat. It is expected that the number of import licences issued will be reduced considerably this year, because local millers and the Department of Agriculture have arranged to mill in Eire the bulk of the special flour necessary for biscuit-making.

STANDSTILL ORDER

On September 7 last, the Minister of Supplies made an order prohibiting, *inter alia*, the sale of flour by producers, wholesalers, or retailers, at prices exceeding those current at the outbreak of war, i.e. in the week ended August 26 last. The Department of Supplies investigated from time to time during the last three months applications from the producers of wheaten flour for permission to increase the controlled prices on the grounds of increased costs of imported wheat and sacks. As a result of these investigations, the Minister of Supplies issued orders fixing minimum prices per 280-pound sack, free on rail, to producers of wheaten flour, as shown below, with effect as from the dates indicated; producers' prices for the week ended August 26 last are also shown:—

	Aug. 8	Sept. 19	Sept. 29	Oct. 16
Bakers' flour (strong)	39s. 6d.	43s. 6d.	44s. 6d.	45s. 6d.
Blended flour	38s. 6d.	42s. 6d.	43s. 6d.	44s. 0d.
Shop flour	36s. 0d.	39s. 6d.	40s. 6d.	41s. 6d.

There is an understanding that wholesalers and retailers may make additions to their prices appropriate to the increases made by the producers.

FUTURE OUTLOOK

Flour imports are expected to decrease as the necessary arrangements have been made to mill in Eire the bulk of the flour necessary for biscuit-making.

It is difficult at this stage to estimate what effect a protracted war is likely to have on the quantity or quality of flour milled locally. It will be noted that all the flour required in Eire (with the exception of flour intended for the manufacture of biscuits) is milled at home from a mixture of local and imported wheat. The tendency is for domestic wheat crops to expand and, provided supplies of imported wheat sufficient to make up the difference between the total requirements of this country and the total production of local wheat are available, it is not anticipated that there will be any alteration in the quality of the flour. If, however, a scarcity of imported wheat should occur, consideration may have to be given to the question of increasing the extraction of flour, but this may present difficulties, as the milling offals are required for animal feeding stuffs and any reduction in the output would, of course, affect cattle and pig production.

At present there appears to be no prospect of a market in this country for Canadian flour.

TRADE AND BUSINESS CONDITIONS IN BRUNEI IN 1938*

C. H. KHOO, OFFICE OF THE TRADE COMMISSIONER

(Values are in Straits currency: S\$1 equals \$0.57 Canadian)

Singapore, November 15, 1939.—The State of Brunei enjoyed a prosperous year during 1938. Labour troubles were unknown, while the state's revenue, thanks chiefly to the steadily increasing production of oil, was the highest ever recorded.

Comprising an area of some 2,500 square miles on the northwest coast of Borneo, Brunei has a population estimated at 37,868, all but approximately 10 per cent of whom are indigenous. Chinese comprise 9 per cent of the population and only a handful of Europeans reside within its boundaries. Brunei has a Sultan as titular ruler, and for administrative purposes is governed as an Unfederated Malay State with a British Resident reporting to the High Commissioner for the Malay States at Singapore.

EXPORTS

With the exception of crude oil and natural gas exports, which are effected by pipe-line straight to the refinery in Sarawak, practically the whole of the external trade of the state passes through Singapore, and foreign trade in its commonly-accepted sense may be said to be non-existent. Nevertheless, the aggregate value of the trade in 1938, exclusive of notes, coin, bullion and specie, was \$9,402,281 as compared with \$8,111,394 in 1937. Crude oil exports, amounting to 685,257 tons valued at £3,512,549, accounted for approximately 83.5 per cent of the total export trade value of \$6,580,482. Next in order, but far below in value, were exports of plantation rubber amounting to 2,778,351 pounds at \$623,565, or 9.5 per cent of the total.

IMPORTS

Total declared value of imports amounted to \$2,821,799, made up chiefly of "miscellaneous manufactured articles," \$1,445,254 (\$1,285,273 in 1937); machinery, \$244,005 (\$154,245); rice, \$193,772 (\$180,911); provisions, \$170,395 (\$155,575); tobacco, \$103,601 (\$95,384) and dyed cotton goods, \$91,304 (\$100,573).

* Official statistics for 1938 were issued just shortly before the date of this report.

Values of items of likely interest to Canadian exporters were as follows: motor vehicles, £46,809; grains other than rice, \$36,741; flour, 12,874 sacks at \$25.683; spirits, 1,683 gallons at \$15,465; dried and salt fish, 1,147 piculs (3 piculs equal 400 pounds) at \$13,129.

FINANCES

A deficit of \$296,746 was shown on the year's operations, revenue amounting to \$1,179,979 and expenditure to \$1,476,725. This deficit, however, was more apparent than real, as the expenditure included book entries of \$757,736 and \$10,000 appropriated from surplus and transferred respectively to the newly-created General Reserve Fund and to the Opium Revenue Replacement Fund.

Oil royalties represent by far the largest single head of revenue, amounting in 1938 to \$592,260.

UNITED KINGDOM MERCHANDISE MARKS ACT

SPECTACLE FRAMES, ETC.

Referring to the announcement published in *Commercial Intelligence Journal* No. 1840 (May 6, 1939), page 687, the Chief Canadian Trade Commissioner in London writes that the Merchandise Marks Committee have recommended that spectacle and eyeglass frames imported into the United Kingdom, either in whole or in parts, should bear an indication of origin printed or stamped on a label securely attached thereto at the time of importation.

IMPORTS INTO THE UNITED STATES OF PRODUCTS UNDER THE QUOTA PROVISIONS OF THE TRADE AGREEMENT

The following table, prepared by the Canadian Trade Commissioner's office at New York from preliminary figures issued by the Treasury Department at Washington, D.C., shows the standings of the quotas provided for under the Canada-United States Trade Agreement (signed November 17, 1938) up to December 30, 1939:—

	Total Quota	Reduction in Duty from the 1930 Tariff Act	Used by Canada to Dec. 30, 1939	
			Quantity	Per Cent
Cattle (700 lbs. or more) . . . Head	225,000	3 to 1½ cts. per lb.	172,582	76.7
Cattle (less than 200 lbs.) . . . Head	100,000	2½ to 1½ cts. per lb.	68,614	68.6
				Quota filled Sept. 16, 1939
Whole milk Gal.	3,000,000	6½ to 3¼ cts per gal.	7,124	0.23
Cream Gal.	1,500,000	56¼ to 28¾ cts. per gal.	868	....
Filletted fish, fresh or frozen—cod, haddock, hake, pollock, cusk, and rosefish Lbs.	15,000,000	2½ to 1¼ cts. per lb.	9,879,081	65.8
Seed potatoes Bu.	1,500,000	75 to 60 cts. per 100 lbs.	617,328	41.6
	beginning Sept. 15, 1939	Dec. 1 to end of Feb.; 37½ cts. Mar. 1 to Nov. 30		
White or Irish potatoes, other than seed potatoes Bu.	1,000,000	75 to 60 cts. per 100 lbs.	204,201	20.4
	beginning Sept. 15, 1939	Dec. 1 to end of Feb.; 37½ cts. Mar. 1 to Nov. 30		

Total imports of cattle weighing 700 pounds or more, other than dairy cows, during the period January 1 to December 30, 1939 amounted to 229,301 head.

Of this number 56,719 head of 25 per cent came from countries other than Canada. The 229,301 head imported included 220,308 head dutiable at the reduced rate under the trade agreement and 8,993 head dutiable at the full tariff rate.

During the period October 1 to December 30, 1939, there were 35,659 head imported from Canada, which represented 88.37 per cent of the tariff rate quota for the fourth quarter of the calendar year. Imports for this period from countries other than Canada totalled 10,748 head, which included 6,663 head dutiable at the reduced rate and 4,085 head dutiable at the full tariff rate.

TARIFF CHANGES AND TRADE REGULATIONS

United Kingdom

BACON, HAM AND LARD SUBJECTED TO IMPORT LICENSING

Mr. Frederic Hudd, Chief Canadian Trade Commissioner in the United Kingdom, in a cablegram of January 18 advises that a Board of Trade Order, effective January 20, adds the following to the list of goods the importation of which into the United Kingdom is prohibited except under licence: Bacon and ham, including bacon or ham preserved (with or without other meats) in airtight containers; and refined or unrefined lard. The cablegram adds that goods sent before the date named will not require a licence and that the purpose of the order is to enable the Ministry of Food to secure proper control.

Ireland

QUOTA FOR WOVEN TISSUES OF WOOL AND WORSTED

Mr. James Cormack, Canadian Trade Commissioner in Dublin, advises that, by an Order of the Government of Eire, dated December 19, 1939, a further import quota and quota period have been announced for importation into Eire of woven tissues of wool and worsted exceeding in value 2s. per square yard. The total quota fixed is 410,000 square yards for the period February 1, 1940, to April 30, 1940. Of the new quota, 405,000 square yards must be manufactured in the United Kingdom or Canada. The amount of the new quota is the same as that fixed for the previous three months.

Ceylon

DUTIES INCREASED ON LIQUORS AND TOBACCOS

Ceylon Customs Notification (Tariff) No. 39/10 increases duties on malt liquors, spirituous liquors, tobaccos and coffee with effect from November 1, 1939. The tariff on whisky matured not less than five years is increased from 17½ rupees (\$6.40) the Imperial gallon to 20 rupees (\$7.30) the gallon, and on other whisky from 22 rupees (\$8) the gallon to 25 rupees (\$9.15) the gallon. The rupee equals 36½ cents Canadian at prevailing exchange rates.

Palestine

NEW PALESTINE-SYRIA CUSTOMS AGREEMENT

Mr. Henri Turcot, Canadian Trade Commissioner at Cairo, advises that a new Palestine-Syria Customs Agreement, effective December 1, recognizes three categories of goods: (a) duty-free goods; (b) goods dutiable at the full rates imposed on similar articles of foreign origin; and (c) goods dutiable at the rates imposed on similar articles of foreign origin, less a preferential rebate of 33½ per cent.

The list of articles entitled to admission free of duty in both countries includes some 150 commodities, among which are the following: hard wheat (*Triticum durum*), to a maximum of 5,000 tons in any one year, from Syria and Lebanon; barley; oats; hay; meatmeal; fishmeal; potatoes, imported during the period September 1 to March 31; lard; fur skins, raw; animal hair; wire netting; wire, except barbed wire; live cattle. In the list of articles subject to the full rates of duty in both countries are comprised about 30 items, including spirituous beverages, perfumery, benzine, salt, tobacco, matches, mechanical lighters, and playing cards. There remains the overwhelming number of goods, not specified in either of the previous two lists, which enjoy a one-third reduction on the normal rates of duty in both countries. (For the purpose of the agreement, the Lebanon is included in Syria).

The agreement regulates also the transfer of goods wholly of foreign origin upon which duty has been paid in the territory of despatch and, similarly, the transfer of those upon which the duty has not been paid.

The text of the agreement, in English and French, is on file at the Department of Trade and Commerce, Ottawa.

Fiji

IMPORTS AND EXCHANGE RESTRICTIONS

Under the Defence (Finance) Regulations of Fiji, made on September 28, 1939, all dealings in gold and foreign exchange were prohibited except through official channels. It was announced that the reasonable foreign exchange requirements of a trade or business carried on in the colony would be met so far as possible, but application must be made in every case to a bank for a permit to remit money overseas. This applied to payments for imports, freights, insurance, agents' commission, royalties, film rents, copyrights, salaries, pensions, etc. It applies to all currencies other than Fiji currency.

A proclamation of the Governor of Fiji, issued November 2, 1939, prohibited, except under licence issued by the Comptroller of Customs, the importation of all goods from ten non-British countries as well as Canada, Hongkong, and Newfoundland. An exception in the following terms was made for goods on order: "Imports of restricted goods will be licensed for importation if it is shown to the satisfaction of the Comptroller of Customs that the goods were ordered prior to the date of the imposition of the restrictions, subject to the importer having been allocated foreign exchange for the purchase of the goods and being able to produce the duplicate of his foreign exchange application."

An importer desiring to import any goods is required to obtain a licence from the Import Licensing Section of the Customs Department, and also a permit to remit money overseas for their purchase, before he places order for the goods.

The proclamation regulating imports provides: "(a) certificates of origin and interest must be produced in respect of all imports from neutral countries in Europe; (b) where an importer has his own labels printed with his name thereon or has special marks placed on imports from any foreign country, the name of the manufacturer and the name of the country in which the goods are manufactured or produced must be plainly and indelibly marked on the article itself or on the covering label, reel, or other thing in or with which the imports are sold, exposed or had in possession for any purpose of sale, trade or manufacture."

As regards the list of countries to which the regulations apply, a proclamation of December 7 made the restriction applicable to all foreign countries, Canada, Hongkong, and Newfoundland.

Netherlands

IMPORT RESTRICTIONS ON HOSIERY

With reference to the notice in *Commercial Intelligence Journal* No. 1826 (January 28, 1939), page 136, Mr. J. A. Langley, Canadian Commercial Attaché at Rotterdam, advises that according to a royal decree of December 23, 1939, during the year 1940 not more than 60 per cent of the average quantity of socks and hosiery imported from each supplying country per twelve months during the years 1936 and 1937 may enter the Netherlands. The previous quota was the same. Special quotas may be granted to countries designated by the Ministry of Economic Affairs. A certificate of origin is required for entry of these commodities.

Netherlands West Indies

DUTIES TEMPORARILY ABOLISHED IN SABA, ST. EUSTACHE AND ST. MARTIN

Mr. J. A. Langley, Canadian Commercial Attaché at Rotterdam, forwards advice received from the Netherlands Department of Colonies that import and excise duties applicable to goods in the islands of Saba, St. Eustache and St. Martin (comprising part of the customs area of Curacao, Netherlands West Indies) have been temporarily abolished, with effect from September 1, 1939, provisionally up to December 31, 1942, inclusive.

Cuba

DUTY ON CANNED SALMON FROM UNITED STATES REDUCED

With reference to the supplementary trade agreement between the United States and Cuba which was signed on December 18, 1939, and effective as from December 23 (see *Commercial Intelligence Journal* of January 6, 1940, page 36), Mr. C. S. Bissett, Canadian Trade Commissioner in Havana, writes that this agreement contains no new Cuban tariff changes of any importance to Canadian exporters except as regards canned salmon. The previous rate to the United States on canned salmon was 13 cents per kilo. The agreement reduced this rate to 3·9 cents. The minimum tariff rate, which is the lowest rate given to any other country, remains at 20 cents per kilo. The rate applicable to imports from Canada at present is that of the minimum tariff plus a surcharge of 25 per cent thereof. (One kilo equals 2·2 pounds).

Japan

EXPORT CONTROL OF WHEAT AND WHEAT FLOUR

A Japanese Agriculture and Forestry Departmental Ordinance No. 65, dated November 30, 1939, provides that no wheat and grains other than rice, or flours of grains, to be designated, shall be exported without the permission of the Minister, except for ship's use, by mail or not, exceeding 100 kin (132 lbs.). A further Memorandum No. 426 designates wheat and wheat flour as subject to export permission.

Manchukuo

IMPORT AND EXPORT RESTRICTIONS

A Manchukuo Imperial Ordinance No. 316, dated December 8, 1939, made under the Trade Control Law (see *Commercial Intelligence Journal* No. 1774, January 29, 1938, page 150), enumerates goods listed under 298 tariff items that may not be exported, and goods listed under 210 tariff items that may not be imported, within a period of three years, without the permission of the Minister of Economy.

TENDERS INVITED

Australia

TELEGRAPH PAPER TAPE

Mr. Frederick Palmer, Canadian Trade Commissioner at Melbourne, writes under date December 16, 1939, that the Deputy Director of Posts and Telegraphs, Melbourne, has issued a call for tenders for the supply and delivery of telegraph paper tape in quantities ranging from 50 to 100 cwts., and 101 to 200 cwts.

The schedule and specifications are open for inspection by interested Canadian firms on application to the Department of Trade and Commerce, Ottawa (quoting file No. 13945).

Tenders for this contract will close in Melbourne on March 12, 1940.

RUBBER INSULATED CABLE

The Secretary of the State Electricity Commission of Victoria has issued a call for tenders for the supply, delivery and maintenance of 4,000 feet of vulcanized rubber insulated and tough rubber compound sheathed cable, having three active conductors suitably insulated for use on a three-phase 6.6 kv system, with the neutral earthed and an earthing connection comprised of one or more conductors which need not be insulated and which shall have a total cross-section area equal to that of one active conductor. The cable is desired in one continuous length of 4,000 feet. If this is impracticable, tenderers should supply the full specifications of the joints proposed.

The specifications and contract conditions may be inspected by interested Canadian firms on application to the Department of Trade and Commerce, Ottawa (quoting file No. 26502).

Tenders for this contract will close in Melbourne on April 2, 1940.

Canadian firms desirous of participating in the foregoing tenders should submit quotations through their Australian agents. The Canadian Trade Commissioner in Melbourne will be pleased to suggest suitable agents for firms not already represented in Australia.

New Zealand

Copies of plans and specifications have been received from Mr. W. F. Bull, Canadian Trade Commissioner at Auckland, New Zealand, for equipment required by the Public Works Department, Wellington. These specifications are open for inspection at the Department of Trade and Commerce, Ottawa. Tenders should be addressed to the Secretary, Public Works Supplies and Tenders Committee, Wellington, in accordance with these specifications. Particulars are as follows:—

Public Works Department.—Section 49, Palmerston North District: 3,000 kva transformer bank—four single-phase double-wound transformer units, each 1,000 kva 50,000 volts/6350 volts, outdoor type, oil-immersed, self-cooled and tap changing on load (tenders close April 9, 1940); Section 36, Christchurch: 11 kv switchgear and accessories, Hororata Substation, to specification (tenders close April 2, 1940); Section 77, Hamilton District: control and relay panels, Mr. Roskill Substation, to specification and drawings (tenders close May 21, 1940); Section 51, Palmerston North District: one combined control and relay board for 11 kv switchgear, to specification and drawings (tenders close May 21, 1940); Section 76, Hamilton District: one control board for 110 kv switchgear, one control board for 22 kv switchgear, and one relay board for 22 kv switchgear, to specification and drawings (tenders close May 14, 1940).

FOREIGN EXCHANGE QUOTATIONS: WEEK ENDING JAN. 22, 1940

The Foreign Exchange Division of the Bank of Canada has furnished the following statement of the nominal closing quotations for all the principal exchanges for the week ending Monday, January 22, 1940, and for the week ending Monday, January 15, 1940, with the official bank rate:—

Country	Unit	Present or Former Gold Parity	Nominal Quotations in Montreal Week ending Jan. 15	Nominal Quotations in Montreal Week ending Jan. 22	Official Bank Rate
Belgium	Belga	.1001	\$.1864	\$.1869	2½
Bulgaria	Lev	.0072	.....	.....	—
Denmark	Krone	.2680	.2143	.2143	5½
Finland	Markka	.0252	.0202	.0203	4
France	Franc	.0392	.0249	.0249	2
Great Britain	Pound	4.8666			
	Buying		4.4300	4.4300	2
	Selling		4.4700	4.4700	—
Greece	Drachma	.0130	.0079	.0079	6
Holland	Guilder	.4020	.5912	.5899	3
Hungary	Pengo	.1749	.2942	.2942	4
	Unofficial		.1953	.1951	—
Italy	Lira	.0526	.0559	.0560	4½
Yugoslavia	Dinar	.0176	.0251	.0251	5
Norway	Krone	.2680	.2520	.2521	4½
Portugal	Escudo	.0442	.0403	.0403	4-4½
Roumania	Leu	.0060	.0078	.0079	3½
Spain	Peseta	.1930	.1104	.1104	5
Sweden	Krona	.2680	.2643	.2643	2½
Switzerland	Franc	.1930	.2489	.2489	1½
United States	Dollar	1.0000			
	Buying		1.1000	1.1000	1
	Selling		1.1100	1.1100	—
Mexico	Peso	.4985	.1848	.1848	3
Cuba	Peso	1.0000	.....	.....	—
Guadeloupe	Franc	.0392	.0249	.0249	—
Jamaica	Pound	4.8666	4.4800	4.4800	—
Martinique	Franc	.0392	.0249	.0249	—
Other British West Indies	Dollar	1.0138	.9313	.9313	—
Argentina	Peso (Paper)	.4245	.3304	.3304	3½
	Free		.2519	.2531	—
Brazil	Milreis (Paper)	.1196	.0673	.0670	—
	Free		.0557	.0558	—
British Guiana	Dollar	1.0138	.9313	.9313	—
Chile	Peso	.1217	.0574	.0574	3-4½
	Export		.0444	.0444	—
Colombia	Peso	.9733	.6353	.6356	4
Peru	Sol	.2800	.....	.....	—
Venezuela	Bolivar	.1930	.....	.....	—
Uruguay	Peso	1.0342			
	Controlled		.7307	.7307	—
	Uncontrolled		.4025	.4051	—
South Africa	Pound	4.8666	4.4600	4.4600	3½
Egypt	Pound (100 Piastres)	4.9431	4.5800	4.5800	—
China (Shanghai)	Dollar	.....	.0880	.0876	—
Hongkong	Dollar	.....	.2739	.2733	—
India	Rupee	.3650	.3363	.3359	3
Japan	Yen	.4985	.2602	.2602	3.29
Java	Guilder	.4020	.....	.....	—
Thailand (Siam)	Baht (Tical)	.4424	.4040	.4029	—
Straits Settlements	Dollar	.5678	.5173	.5159	—
Australia	Pound	4.8666	3.5800	3.5800	3
New Zealand	Pound	4.8666	3.5900	3.5900	4

The Dominion Bureau of Statistics has supplied the following note:—

Following a drop of ¾ cent on January 16 to \$3.96¼, sterling free rates at New York held at relatively firm levels during the week ended January 22, but closed finally at \$3.96½ for a net loss of 1 cent. Canadian funds eased from 88½ cents on January 15 to a low of 88 cents on the 19th, while the close at 88½ cents was down ½ cents for the week. Sterling forward rates, New York on London, have shown a stronger tendency in recent weeks, 90-day futures being currently quoted at a discount of 3¼ cents as compared with 5¼ cents early in January. At Montreal French francs finished 1 point lower at 2.49 cents, while neutral European units were mixed. Belgas closed 5 points higher at 18.69 cents, while florins were off 13 points at 58.99 cents. The Argentine peso (free rate) showed further strength, closing rates at 25.31 cents indicating a gain of 12 points on the week. No change occurred in daily buying and selling rates set by the Canadian Foreign Exchange Control Board for sterling and United States funds, which remained at \$4.43-\$4.47 and \$1.10-\$1.11 respectively.

TRADE OPPORTUNITIES ABROAD FOR CANADIAN PRODUCTS

The Trade Inquiries for Canadian products published below have been received since the publication of the last issue of the *Commercial Intelligence Journal*. Interested exporters may secure the names and addresses of the firms making these inquiries, together with further details regarding the commodities required, on application to the Director, Commercial Intelligence Branch, Department of Trade and Commerce, Ottawa, or—

Secretary, Board of Trade—

Saint John, N.B.

Halifax, N.S.

Quebec, P.Q.

Montreal, P.Q.

Toronto, Ont.

Chatham, Ont.

Guelph, Ont.

Kitchener, Ont.

Brantford, Ont.

Stratford, Ont.

Woodstock, Ont.

St. Mary's, Ont.

Portage la Prairie, Man.

St. Boniface, Man.

Winnipeg, Man.

Vancouver, B.C.

New Westminster, B.C.

Secretary, Chamber of Commerce—

Sherbrooke, P.Q.

Kingston, Ont.

Oshawa, Ont.

Belleville, Ont.

Peterborough, Ont.

London, Ont.

St. Catharines, Ont.

Hamilton, Ont.

Victoria, B.C.

Prince Rupert, B.C.

Windsor Chamber of Commerce, Windsor, Ont.

Commercial Intelligence Service, Department of Municipal Affairs, Trade and Commerce, Quebec.

Department of Industry, Brantford, Ont.

Industrial Commissioner, Stratford, Ont.

La Chambre de Commerce de Montréal, 25 St. James E., Montreal, P.Q.

Secretary, Canadian Manufacturers Association—

Toronto, Ont.

Montreal, P.Q.

Winnipeg, Man.

Edmonton, Alta.

Vancouver, B.C.

Victoria, B.C.

Director, Bureau of Industrial and Trade Extension, Department of Trade and Industry, Victoria, B.C.

Canadian exporters should, for follow-up purposes, transmit a copy of any reply sent in response to a Trade Inquiry to the Trade Commissioner in the territory from which the inquiry emanated.

Commodity	No.	Location of Inquirer	Purchase or Agency
Miscellaneous—			
Hosiery, Lisle.....	52	Glasgow, Scotland.....	Agency.
Socks, Silk.....	53	Nicosia, Cyprus.....	Purchase and Agency.
Senega Root.....	54	London, England.....	Purchase.
Gypsum, Crude and Calcined...	55	Oslo, Norway.....	Purchase and Agency.
Dry Batteries for Flashlights and Pocket Lamps.....	56	Belfast, Northern Ireland..	Purchase.
Wire for Brush Making.....	57	Dublin, Ireland.....	Purchase.
Knife Sections for Agricultural Mowing Machines.....	58	West Footscray, Victoria, Australia.....	Purchase.
Lumber.....	59	Buenos Aires, Argentina...	Purchase and Agency.

COMMERCIAL INTELLIGENCE SERVICE

L. D. WILGRESS, *Director*

Argentina

J. A. STRONG, B. Mitre 430, Buenos Aires (1). (Territory includes Uruguay.) *Cable address, Canadian.*

Australia

Sydney: L. M. COSGRAVE. Address for letters—P.O. Box No. 3952V. Office—City Mutual Life Building, Hunter and Bligh Streets. (Territory includes the Australian Capital Territory, New South Wales, Queensland, Northern Territory and Dependencies.) *Cable address, Canadian.*

Melbourne: FREDERICK PALMER, 83 William Street, Melbourne, C.1. (Territory includes States of Victoria, South Australia, Western Australia, and Tasmania.) *Cable address, Canadian.*

Belgium and Luxemburg

YVES LAMONTAGNE, Commercial Attaché, Shell Building, 60 rue Ravenstein, Brussels. *Cable address, Canadian.*

Brazil

L. S. GLASS. Address for letters—Caixa Postal 2164, Rio de Janeiro. Office—Ed. Da. "A. Noite," Sala 802, Praca Maua. *Cable address, Canadian.*

British India

PAUL SYKES. Address for letters—P.O. Box 2003, Calcutta. Office—23 Esplanade Mansions, Government Place East, Calcutta. (Territory includes Burma and Ceylon.) *Cable address, Canadian.*

British Malaya

J. L. MUTTER, Union Building, Singapore, Straits Settlements. (Territory includes the Straits Settlements, the Federated Malay States, the Unfederated Malay States, Thailand, British Borneo, and Netherlands India.) *Cable address, Canadian.*

British West Indies

Trinidad: M. B. PALMER. Address for letters—P.O. Box 125, Port of Spain. Office—Barclay's Bank Building. (Territory includes Barbados, Windward and Leeward Islands, and British Guiana.) *Cable address, Canadian.*

Jamaica: F. W. FRASER, P.O. Box 225, Kingston. Office—Canadian Bank of Commerce Chambers. (Territory includes the Bahamas and British Honduras.) *Cable address, Canadian.*

China

V. E. DUCLOS. Address for letters—P.O. Box 264, Shanghai. Office—Ewo Building, 27 The Bund, Shanghai. (Territory includes Central China and North China.) *Cable address, Canadian.*

Cuba

C. S. BISSETT. Address for letters—Apartado 1945, Havana. Office—Royal Bank of Canada Building, Calle Aguiar 367, Havana. (Territory includes Haiti, the Dominican Republic, and Puerto Rico.) *Cable address, Canadian.*

Egypt

HENRI TURCOT. Address for letters—P.O. Box 1770, Cairo. Office—22 Shari Kasr el Nil, Cairo. (Territory includes the Sudan, Palestine, Cyprus, Iraq, Syria, Iran, Greece, Turkey, Bulgaria, and Roumania.) *Cable address, Canadian.*

France

HERCULE BARRÉ, Commercial Attaché, 3 rue Scribe, Paris (9). (Territory includes French Colonies in North Africa.) *Cable address, Cancomac.*

Hongkong

P. V. McLANE. Address for letters—P.O. Box 80, Hongkong. Office—Hongkong and Shanghai Bank Building, Hongkong. (Territory includes South China, the Philippines, and Indo-China.) *Cable address, Canadian.*

Ireland

JAMES CORMACK, 66 Upper O'Connell Street, Dublin, Ireland (*cable address, Canadian*); and 36 Victoria Square, Belfast, Northern Ireland.

Italy

A. B. MUDDIMAN, Via Manzoni Nr. 5, Milan (102). (Territory includes Spain, Portugal, Gibraltar, Malta, Albania, and Yugoslavia.) *Cable address, Canadian.*

CANADIAN GOVERNMENT TRADE COMMISSIONERS—*Con.*

Japan

C. M. CROFT, Commercial Secretary. Address for letters—P.O. Box 18, Akasaka Post Office, Tokyo. Office—Canadian Legation, 16 Omotecho, 3-chome, Akasakaku, Tokyo. *Cable address, Canadian.*

Mexico

R. T. YOUNG. Address for letters—Apartado Num. 126-Bis, Mexico City. Office—Edificio Banco de Londres y Mexico, Num. 30, Mexico City. (Territory includes Guatemala, Honduras, and Salvador.) *Cable address, Canadian.*

Netherlands

J. A. LANGLEY, Commercial Attaché, Coolsingel 111b, Rotterdam. (Territory includes Switzerland.) *Cable address, Canadian.*

New Zealand

W. F. BULL. Address for letters—P.O. Box 33, Auckland. Office—Yorkshire House, Shortland Street, Auckland. (Territory includes Fiji and Western Samoa.) *Cable address, Canadian.*

Norway

RICHARD GREW, Stortingsgaten 28, Oslo. (Territory includes Sweden, Denmark, and Finland.) *Cable address, Canadian.*

Panama

H. W. BRIGHTON. Address for letters—P.O. Box 222, Panama City. Office—98 Central Avenue, Panama City. (Territory includes the Canal Zone, Venezuela, Colombia, Nicaragua, and Costa Rica.) *Cable address, Canadian.*

Peru

M. J. VECHSLER. Address for letters—Casilla 1212, Lima. Office—Edificio Boza, Carabaya 831, Plaza San Martin, Lima. (Territory includes Bolivia, Ecuador, and Chile.) *Cable address, Canadian.*

South Africa

Cape Town: J. C. MACGILLIVRAY. Address for letters—P.O. Box 683. Office—New South African Mutual Buildings, 17 Parliament Street. (Territory includes Cape Province and Southwest Africa, Natal, Tanganyika, Kenya, Uganda, Mauritius, and Madagascar.) *Cable address, Cantracom.*

Johannesburg: J. H. ENGLISH. Address for letters—P.O. Box 715. Office—Prudential Assurance Building, 92 Fox Street. (Territory includes Transvaal, Orange Free State, the Rhodesias, Portuguese East Africa, Mozambique, and Nyasaland.) *Cable address, Cantracom.*

United Kingdom

London: FREDERIC HUDD, Chief Trade Commissioner in the United Kingdom, Canada House, Trafalgar Square, S.W.1. *Cable address, Sleighing, London.*

London: H. A. SCOTT, Trade Commissioner, Canada House, Trafalgar Square, S.W.1. *Cable address, Sleighing, London.*

London: G. R. HEASMAN, Trade Commissioner, Canada House, Trafalgar Square, S.W.1. (Territory includes Home Counties, Southeastern Counties, and East Anglia.) *Cable address, Sleighing, London.*

London: W. B. GORNALL, Fruit Trade Commissioner, Aldine House, Bedford Street, Strand, W.C.2. *Cable address, Canfrucum.* (Territory—for fresh fruit only—includes United Kingdom, Norway, Denmark, Sweden, France, Holland, Belgium, and Germany.)

London: ACTING ANIMAL PRODUCTS TRADE COMMISSIONER, Canada House, Trafalgar Square, S.W.1. *Cable address, Agrilson.*

Liverpool: A. E. BRYAN, Martins Bank Building, Water Street. (Territory includes North of England, Lincolnshire, North Midlands, and North Wales.) *Cable address, Canadian.*

Bristol: E. L. MCCOLL, Northcliffe House, Colston Avenue. (Territory includes West of England, South Wales, and South Midlands.) *Cable address, Canadian.*

Glasgow: G. B. JOHNSON, 200 St. Vincent Street. (Territory covers Scotland.) *Cable address, Cantracom.*

United States

New York City: D. S. COLE, British Empire Building, Rockefeller Center. (Territory includes Bermuda.) *Cable address, Cantracom.*

Chicago: W. J. RIDDIFORD, Tribune Tower, 435 North Michigan Avenue. *Cable address, Canadian.*

Los Angeles: B. C. BUTLER, Associated Realty Building, 510 West Sixth Street.

Note.—Bentley's Second Phrase Code is used by Canadian Trade Commissioners.

Can
T

COMMERCIAL INTELLIGENCE JOURNAL

Vol. LXII

Ottawa, February 3, 1940

No. 1879



Stores of British Columbia Canned Salmon in Warehouse at
Vancouver ready for Shipment

ISSUED BY AUTHORITY OF
THE HON. W. D. EULER, MINISTER OF TRADE AND COMMERCE
JAMES G. PARMELEE, DEPUTY MINISTER



CONTENTS

	Page
United Kingdom Shipping Control	161
Live-stock Control in the United Kingdom.....	161
Revised Prices for Feedstuffs in the United Kingdom.....	167
Pig and Bacon Trade in Ireland	168
Dislocation of German Trade with the United States.....	170
Effect of the War on Anglo-Egyptian Sudan Import Trade..	175
Wheat and Flour Trade in Denmark	176
Market for Alfalfa Meal in the Eastern United States.....	184
Foreign Trade of Japan, January-September, 1939.....	185
Tariff Changes and Trade Regulations	191
Exchange Conditions in Foreign Countries:	
Anglo-Egyptian Sudan	196
Levant States under French Mandate.....	196
Foreign Exchange Quotations	197
Trade Inquiries for Canadian Products	198
Commercial Intelligence Service.....	199

COMMERCIAL INTELLIGENCE JOURNAL

Issued Every Saturday by the Department of Trade and Commerce

PUBLISHED in English and French. Subscription Price for either edition: \$1 per annum in Canada (single copies 5 cents each); \$3.50 outside the Dominion (single copies 10 cents each). Remittances, which may be made by Post Office or Express Orders, or Drafts, or Cheques, payable at par in Ottawa, should be addressed to the King's Printer, Government Printing Bureau, Ottawa.

Vol. LXII

Ottawa, February 3, 1940

No. 1879

UNITED KINGDOM SHIPPING CONTROL

FREDERIC HUDD, CHIEF CANADIAN TRADE COMMISSIONER IN THE
UNITED KINGDOM

London, January 5, 1940.—The United Kingdom Government have decided to bring domestic shipping under full control. Hitherto the powers of the Ministry of Shipping have been only partially exercised.

It is announced that the authorities are satisfied that the regular execution of shipping programs, which is essential for the efficient conduct of the war, will be most effectively secured by extending the policy of requisitioning shipping to include all ships on the United Kingdom and Colonial registers engaged in the deep-sea liner trades.

It is proposed to bring the plan into operation on February 1, 1940, after which all ships affected will be controlled from the time when they complete their first discharge in the United Kingdom. The scheme will not cover vessels on the Dominion, Indian or Burma registers. The effective date in respect to ships trading elsewhere than to the United Kingdom will be the subject of agreement with the owners.

The scheme will follow closely that adopted in the last war. The companies themselves will continue to manage and operate the ships as though they were carrying on their own business, subject only to compliance with such instructions as to the cargo to be carried and the route programs to be adopted, as the Ministry of Shipping may from time to time find it necessary to give.

The companies will maintain their organizations in the United Kingdom and abroad for the purpose of implementing the scheme, and will account to the Minister for all voyage receipts and expenditure, the profits or losses on the voyage undertaken being treated as on Government account.

The withdrawal of ships from their present trades will be facilitated where that course is necessary in order to find tonnage for more urgent national employment. By providing greater unity of control and identity of interest, the scheme is designed to enable tonnage to be used more effectively and to render possible material economies in ocean transport.

LIVE-STOCK CONTROL IN THE UNITED KINGDOM

GEORGE R. PATERSON, ACTING ANIMAL PRODUCTS TRADE COMMISSIONER

London, January 9, 1940.—Although a definite date has not yet been announced for the rationing of meat, nevertheless it has been intimated by the British Minister of Food that regulation will become operative during the next few weeks. In the meantime control of fat stock and meat will begin on January 15, from which date the Ministry of Food will purchase live stock at collecting centres in Great Britain.

It is understood that the prices to be paid have been established by the Ministry of Food after discussion with the National Farmers' Unions of England and Wales and of Scotland. They reflect the increases in the maximum prices of feeding stuffs, which came into operation on January 8, and take into account the difficulties being experienced by farmers in Great Britain in feeding their stock under war conditions, and the higher level of prices mentioned by the Minister of Agriculture and Fisheries in the House of Commons on December 14. The prices will be adjusted in accordance with normal seasonal trends and will be subject to review in the event of any material change in circumstances.

OPERATION OF THE SCHEME

With the introduction of such a plan as indicated in the appended summary of prices it naturally follows that considerable confusion would result unless sufficient explanation and organization had been effectively provided for.

Inasmuch as all animals for slaughter will be purchased by the Ministry of Food on and after January 15, the following main provisions have been made in the organization of the scheme:—

COLLECTING CENTRES

Farmers will market their stock at collecting centres, most of which are the usual live-stock markets; in all cases farmers will be able to send their stock to markets near to their farms. They are required to send particulars of the stock which they propose to enter at the collecting centres to the District Chairman of Auctioneers twelve days prior to the date on which they propose to market the animals. This will allow plans to be made for the equitable distribution of the meat.

CERTIFYING AUTHORITIES

Each county and district has been organized and committees known as County or District Auctioneers, headed by a Chairman, have been named. Among other duties they will be required to appoint certifying authorities consisting of three persons, who will publicly grade all the animals offered for slaughter. Each animal will have an individual number, and this number will be recorded, together with the grading and actual live weight of cattle and the estimated dead weight in the case of calves. The class and estimated dead weight of each lot of sheep will be recorded in a similar manner. Pigs passing through collecting centres will be marked with an identification mark which will remain effective throughout the entire slaughtering process, so that the ownership of each can be established at the time of weighing the carcass. Pigs sent direct to bacon factories will be marked by the producers and subsequently graded in the factories.

The County Chairman of Auctioneers will be responsible for making payment to the farmers in the case of animals sold to the Ministry at collecting centres. Payment for pigs sent direct to bacon factories will be made by the curers.

SLAUGHTERING FACILITIES

It is understood that about 750 slaughter-houses have been carefully chosen on grounds of convenience to the neighbourhood and in consideration of the equipment available, and these will be used in the initial stages, at least, of the scheme.

WHOLESALE MEAT SUPPLY ASSOCIATIONS

The introduction of full control of meat and live stock has necessitated some organization to distribute the meat effectively throughout the country; therefore, from the date of the commencement of the scheme wholesale meat distribution will be operated through eight Wholesale Meat Supply Associations, who will act as agents for the Ministry of Food. These associations will be made up of all the meat wholesalers in the country. From the date of commencement of the scheme all individual meat wholesalers will cease for the present to trade on their own account.

MEAT RATIONING

With the introduction of the scheme, all meat, both home-produced and imported, will be under control and subject to specified prices, which will be adjustable from time to time as circumstances require. Although the date for public rationing has not yet been announced, it is expected that this final stage of control will be introduced some time during the next few weeks. In this connection it is understood that meat will be rationed on the basis of value; the weight of the ration will therefore vary with the consumer's choice of quality. It is hoped to arrange for retailers to sell home-killed and imported meat at different prices, and every endeavour will be made in bulk distribution to suit the demands of localities as to quality. In forecasting meat rationing the Minister of Food explained that imports have been satisfactory, but cargoes inevitably vary from time to time according to shipping facilities and convoy arrangements. In distribution, priority must be given to the needs of the Services, and it is necessary to have some reserve against irregularity in future arrivals. As a result there will be some reduction in the supplies of imported meat available for the public.

Pork will be obtainable from special pork butchers and also from general butchers who normally handle it. It is expected, however, that the quantity of pork will be below normal, owing to the necessity for converting a larger proportion of home-produced pig meat into bacon.

PRICES

The prices established for the various grades and classes of live stock, with the equivalent price in Canadian currency at \$4.45 to the pound sterling being also shown, are as follows:—

FAT CATTLE

(1) *Steers, Heifers and Cow-heifers, Home-bred*

Grade	Dressing Percentage	Per Live Cwt. (112 Lbs.)		Equivalent Per 100 Lbs. \$
		s.	d.	
Special	60 and over	64	6	12.81
A	58 and under 60	61	6	12.22
	57	60	0	11.92
	56	58	6	11.53
B	55	56	0	11.12
	54	54	6	10.82
	53	53	0	10.52
C	52	46	6	9.25
	51	44	0	8.74
	50	41	6	8.24

The above prices include a sum equivalent to the subsidy at present payable for fat cattle under the Livestock Industry Act, 1937, which on January 15, 1940, will cease to be paid direct to farmers but will be credited by the Exchequer to the meat and live-stock fund of the Ministry.

(1) *Steers, Heifers and Cow-heifers, Imported*

Grade	Dressing Percentage	If Sold for Slaughter within 3 Months of Importation		If Sold for Slaughter after 3 Months in the U.K.	
		Per Live Cwt. (112 Lbs.)		Per Live Cwt. (112 Lbs.)	
		s. d.	\$	s. d.	\$
Special	60 and over	56 6	11.22	62 0	12.31
A	58 and under 60	53 6	10.63	59 0	11.72
	57	52 6	10.43	57 6	11.42
	56	51 6	10.23	56 0	11.12
B	55	50 6	10.03	53 6	10.63
	54	49 6	9.83	52 0	10.33
	53	48 6	9.63	50 6	10.03
C	52	46 6	9.25	46 6	9.25
	51	44 0	8.74	44 0	8.74
	50	41 6	8.24	41 6	8.24

The cattle subsidy has not been payable in respect of imported cattle until they have been in the United Kingdom for a period of three calendar months and, when payable, the rates of subsidy have been 2s. 6d. per cwt. less than for home-bred animals. The prices set out above, at which the Ministry of Food will purchase imported cattle fattened in Great Britain, have been adjusted to secure a similar effect.

(2) *Fat Cows*

Grade	Dressing Percentage	Per Live Cwt. (112 Lbs.)		Per 100 Lbs.
		s. d.	\$	
A	55 and over	38 0	7.64	
	54	36 0	7.15	
	53	34 0	6.93	
B	52	31 6	6.24	
	51	29 6	5.86	
	50	27 6	5.46	
C	49	25 0	4.97	
	48	23 0	4.57	
	47	21 0	4.17	

(3) *Bulls*

Grade	Dressing Percentage	Per Live Cwt. (112 Lbs.)		Per 100 Lbs.
		s. d.	\$	
A	58 and over	40 0	8.84	
	57	39 0	7.74	
	56	38 0	7.64	
B	55	36 6	7.25	
	54	35 6	7.05	
	53	34 6	6.49	
C	52	31 0	6.07	
	51	28 0	5.65	
	50	25 0	4.97	

CALVES

Prices of calves have been fixed as follows:—

(1) *Veal Calves*

First quality, 13d. per pound estimated dressed carcass weight; second quality, 11d. per pound estimated dressed carcass weight; third quality, 7d. per pound estimated dressed carcass weight.

Calves which are neither genuine veal calves nor "bobbies", but are fit for the retail meat trade will be classed as third quality.

(2) *Bobbies and Boners*

Prices for these calves, suitable only for manufacture are: large, 25s. per head; medium, 20s. per head; small, 15s. per head.

SHEEP AND LAMBS

(1) *Fat Sheep*

The price to be paid for fat sheep will be on the basis of an annual average price of 12d. per pound estimated dressed carcass weight. The price for the initial period will be 12d. per pound estimated dressed carcass weight.

(2) *Fat Lambs*

The price to be paid for fat lambs will be 1½d. per pound above the price payable for sheep. An animal will be classed as a lamb until the date of shearing in the year following birth. The price of lambs for the initial period will be 13½d. per pound estimated dressed carcass weight.

(3) *Sucking Lambs*

It is recognized that farmers have already made arrangements for the production of sucking lambs for the present season. For this reason a special price of 1/5d. per pound will be paid for the present season only until April 30, 1940.

(4) *Ewes*

The price to be paid for fat ewes will be subject to the same seasonal variations as those for fat sheep. For fat ewes estimated to dress at not more than 64 pounds the price will be 4d. per pound less than the price payable for sheep, and for fat ewes estimated to dress at more than 64 pounds the price will be 5d. per pound less than that payable for sheep. The price for any lean ewes purchased for slaughter will be standardized at 4d. per pound.

The initial prices per pound which will be paid for ewes will therefore be as follows:—

Fat light-weight ewes, 8d.; other fat ewes, 7d.; lean ewes, 4d.

It will be provided that the amount paid in respect of a fat ewe exceeding 64 pounds estimated dressed carcass weight shall not be less than that payable in respect of a fat ewe of 64 pounds estimated dressed carcass weight.

(5) *Rams*

Fat ram prices will also be subject to the same seasonal variations as those for fat sheep, being fixed at 5d. per pound below the prescribed price for fat sheep. For the initial period, therefore, fat rams will be purchased at 7d. per pound estimated dressed carcass weight. The price for any lean ram purchased for slaughter will be standardized at 3d. per pound estimated dressed carcass weight. Young tup rams will be regarded as rams if showing male characteristics.

PIGS

The prices for pigs during the period ending April 30, in the absence of any material change in circumstances, will be as follows, equivalent prices in Canadian currency at \$4.45 to the pound sterling being also shown:—

	Per Score	Per 100 Lbs.
	s. d.	\$
Fat pigs up to 9 score, dead weight	18 6	21.05
Pigs from 9 sc. 1 lb. to 10 sc.	18 0	20.50
from 10 sc. 1 lb. to 11 sc.	17 6	19.45
from 11 sc. 1 lb. to 12 sc.	16 6	18.35
over 12 score	16 0	17.80
Rig pigs	16 6	18.35
Stag pigs	12 6	13.90
Sows	15 0	16.70
Boars	9 0	10.00

Small increases have been agreed upon in the scales of allowances authorized for (1) transit shrinkage (which will be extended to cover pork pigs) and (2) delivery of pigs in producers' vehicles.

Arrangements are included for extending the insurance on bacon pigs to cover pork pigs at 6d. per pig (2s. for sows).

MEAT

Wholesale and retail prices of the various classes of meat as furnished by the Ministry of Food are as follows:—

Specimen Wholesale Prices (Delivered), Great Britain

	Per Lb. s. d.
Beef and sides—	
Home killed, 1st quality	0 9
Home killed, 2nd quality	0 7
Imported	0 7
Mutton and lamb in carcasses—	
Home killed mutton and lamb:	
1st quality	1 0
2nd quality	0 6½
Imported mutton	0 6½
Imported lamb	0 9
Veal in carcasses, home killed	0 11
Pork in carcasses—	
Home killed	1 0
Imported	0 9

Wholesale prices will also be prescribed for various sorts of edible offals.

Specimen Maximum Retail Prices per Pound, England and Wales

	Home Killed 1st Quality s. d.	Home Killed 2nd Quality s. d.	Imported s. d.
Beef—			
Sirloin (whole)	1 5	1 2	1 2
Ribs	1 4	1 1	1 1
Brisket	0 10	0 7	0 7
Thin flank	0 10	0 6	0 6
	Home Killed	Imported	
	Mutton and Lamb 1st Quality s. d.	Mutton 2nd Quality s. d.	Lamb s. d.
Mutton and Lamb—			
Leg	1 6	1 0	1 4
Shoulder	1 4	0 9	1 2
Neck	1 0	0 6	0 6
Breast	0 8	0 4	0 4
	Home Killed	Imported	
Veal—	s. d.	s. d.	
Leg	1 6	....
Loin	1 6	....
Neck	1 2	....
Breast	0 10	....
Pork—			
Leg	1 6	1 3	
Loin	1 8	1 4	
Belly	1 4	1 2	
Hock	0 8	0 5	

The foregoing retail prices apply to England and Wales; the prices for Scotland, on account of the difference in the cuts, will show slight differences from the above, but the general price level will be the same. There will be maximum prices for numerous other cuts and also for edible offals.

FEEDING STUFFS

The new Maximum Prices Order for Feeding Stuffs came into effect on January 8. Under the earlier Order the maximum prices were fixed at approxi-

mately pre-war levels; the following, however, will indicate the substantial increases that have been provided for in the prices of feeding stuffs:—

Description	Old Price Per Ton			New Price Per Ton		
	£	s.	d.	£	s.	d.
Maize and imported feeding barley	6	0	0	8	0	0
Maize, meal, home milled oats:						
Imported feeding	7	0	0	9	12	6
No. 1 Canadian	6	12	6	11	0	0
Fish meal	15	5	0	22	0	0
Oil cakes . . . . .	....			Approximately 15 per cent higher than the old price.		

REVISED PRICES FOR FEEDSTUFFS IN THE UNITED KINGDOM

H. L. BROWN, ASSISTANT TRADE COMMISSIONER

London, January 11, 1940.—Since the date of the previous report on control of feedstuffs in the United Kingdom, published in *Commercial Intelligence Journal* No. 1870 (December 2, 1939), the main development of interest to Canadian exporters is the Feeding Stuffs (Maximum Prices) Order, 1940 dated January 6 and effective January 8, 1940. This new order repeals that of September 29, 1939, which was the basis of the previous report, and while repeating in revised form many of the provisions of that order, includes some new provisions. In particular, the new order fixes a revised scale of prices to consumers.

The maximum prices of feedstuffs fixed last September were at approximately the level prevailing immediately before the war. Since that time costs have risen because of increased freight, insurance and exchange rates. Practically all imported feeding stuffs are now being bought on United Kingdom Government account, and have been sold to merchants at prices consistent with those in the original order. Consequently these sales have been at a loss to the United Kingdom Government. It was therefore decided to raise the domestic prices of feedstuffs to offset these losses to some extent at least.

PRICE MARGINS

Before indicating such of these prices as may be of interest to Canadian exporters, it is desirable to outline the margins allowed to merchants and others in the United Kingdom, for these must be deducted from the final price set. By making such of these deductions as may be appropriate, Canadian exporters will be able to compute the maximum landed price available for their products.

Concerning sales of oil seed cakes and meals (such as linseed and soya bean), the appropriate prices shall be *reduced* by the following maximum amounts per long ton: 7s. 6d. when sold by an importer to a wholesale dealer, but 5s. on a sale by an importer to a distributing dealer or manufacturer.

In regard to grain products (for example, bran and ground peas) and fish meals and hay, the appropriate price shall be *reduced* by the following maximum amounts per long ton: 12s. 6d. when sold by an importer to a wholesale dealer, but 10s. when sold by an importer to a distributing dealer or a manufacturer.

So far as concerns whole grains (except feeding wheat) or pulse for feeding, the appropriate price shall be *reduced* by 10s. per long ton on a sale by an importer to a wholesale dealer, but by 7s. 6d. per ton on a sale by an importer to a distributing dealer or a manufacturer. In the case of imported feeding wheat, the reductions shall be 5s. 10d. and 3s. 4d. per ton respectively, instead of 10s. and 7s. 6d.

On all feedstuffs, reductions of 9d. or 1s. 6d. per long ton are required on account of war risks insurance in respect of any quantity of which a distributing dealer or a manufacturer takes delivery.

TYPICAL MAXIMUM PRICES

The following appropriate maximum prices are on the basis of ex wharf or ex importers' warehouse, less the appropriate reductions, but delivery costs are extra. In addition, to arrive at approximate c.i.f. prices, Canadian importers must make due allowance for agent's commission, landing charges, and any other such expenses.

	New Price			Former Price		
	£	s.	d.	£	s.	d.
Per Long Ton Gross Weight, Sacks Included						
Bran, imported, other than Australian	7	2	6	6	0	0
Middlings, imported, other than Australian	7	2	6	6	5	0
Fish meal, imported herring:						
60-64 per cent protein	20	0	0	13	7	6
65-70 per cent protein	21	0	0	13	7	6
Fish meal, imported, other:						
45-50 per cent protein, 8-9 per cent oil	18	0	0	13	7	6
65 per cent protein, 8 per cent oil	22	0	0	13	7	6
Per Long Ton Net Weight, Sacks Extra						
Soya bean cake, imported	11	12	6	9	7	6
Linseed cake, slab, imported	10	12	6	9	7	6
No. 1 Canadian feed oats	11	0	0	6	12	6
Feeding wheat, imported	7	4	1	5	10	0
Feeding barley, imported	8	0	0	6	0	0
Per Long Ton Baled						
Canadian hay, f.a.q.	5	15	0	5	15	0
Canadian timothy and clover	6	2	6	6	2	6

The following maximum prices will be of interest for purposes of comparison: Imported Australian white pollards, bran and middlings, £8 5s. 0d.; United Kingdom produced fish meal, 60 per cent albuminoids (protein), maximum 6 per cent oil, £22 0s. 0d.; hay prices, unchanged, at £5 12s. 6d. ex quay for Norwegian, and at £6 0s. 0d. for prime English and £6 10s. 0d. for prime English mixture, both ex farm.

The price of alfalfa meal is not controlled.

EFFECT ON CANADIAN TRADE

The substantial increases in prices ex quay are planned to provide sufficient margin to cover present freight and insurance costs on importations of feedstuffs. However, the difficulties of obtaining freight space as well as exchange are still encountered, due to the more urgent need for other commodities. Although there is pressing demand for certain feedstuffs, these cannot be imported in sufficient quantity for the present and must be replaced by other feeds already in the country. For example, there is little or no business in alfalfa meal or in fish meal because of the inability to obtain space.

PIG AND BACON TRADE IN IRELAND

JAMES CORMACK, CANADIAN TRADE COMMISSIONER

Dublin, December 22, 1939.—Pigs and bacon are important items of Irish export trade and since 1933 have been the subject of special legislation affecting their free sale and disposal. The annual production of pigs in Eire amounts roughly to 1,000,000, and the exports nearly all go to the United Kingdom market, where about 50 per cent of the total is consumed. Before the war Eire had seldom been able to fill her allotted quota for the United Kingdom market. This occasioned considerable dissatisfaction to producers and was attributed

to the high cost of feed under the regulations of the maize mixture scheme and also to the restriction of business resulting from the imposition of export licensing regulations.

Following the outbreak of war conditions in the export trade changed, and it became much more profitable to ship live pigs to the United Kingdom than to sell them to the local bacon curers. An export price of £5 per cwt. f.o.b. Dublin was obtainable when only £4 2s. was paid by the packers. These conditions tended to bring about a great shortage of supplies for the domestic market as well as an increase in unemployment. As the Government is committed to a policy of assisting secondary rather than primary industry, it would prefer that bacon rather than pigs be exported.

The United Kingdom authorities have recently requested that Eire endeavour to ensure continuous supplies of both live pigs and bacon to that market during 1940, for which import licences will be freely granted to the end of the year. These licences will probably continue to be so granted for the duration of the war. Ham and bacon are to be strictly rationed to the British public beginning January 8, 1940, and every effort is being made to keep down the retail price in order to prevent profiteering both in Eire and in the United Kingdom.

NEW LEGISLATION

Several meetings between representatives of the Governments of Great Britain and Eire to discuss prices have resulted in new legislation. The Pigs and Bacon (Amendment) Act, 1939, passed this week, is the fourth Act of its kind. The first Act (1935) set up two Boards—the Bacon Marketing Board and the Pigs Marketing Board. The former consisted of nine members—a chairman and eight ordinary members—who represented the large, medium and small curers. The Pigs Marketing Board consisted of a chairman and six ordinary members, three of whom were elected by the Bacon Marketing Board and three were producer members nominated by the Minister for Agriculture. Among other powers these Boards were authorized to fix the prices of pigs, the quantity of bacon which each bacon factory might produce, and the amount of bacon which might be sold on the home market. Control of the quantity of bacon to be exported was delegated to the Minister for Agriculture and was exercised outside the Pigs and Bacon Acts.

The Act of 1937 amended the Act of 1935 so as to provide for smoother working of the control machinery, and the Act of 1938 was merely a temporary measure which extended the life of the two Boards for a further period of twelve months. Their term of office expires on December 31, 1939.

The new Act (1939) abolishes the two Boards and replaces them by a Commission consisting of three members—a chairman and two ordinary members—all of whom are nominated by the Minister for Agriculture and hold office during his pleasure. All the powers, duties, functions, etc., of the abolished Boards are transferred to the Commission. One of the principal changes effected by the new Act is the abolition of the restriction of domestic sales to a certain quota; there is now no limit to the amount of bacon that may be sold on the home market by an individual curer. A further provision is that the Minister may direct the Commission to abolish the production quota. This means that bacon factories will be free to produce all the bacon they can without any limitation. The new Commission will assume its duties on January 1, 1940. Its personnel comprises that of a body known as the Pigs and Bacon Export Committee, which was set up at the beginning of the war to control exports of live pigs and bacon from Eire. It will consist of the chairman of the old Boards and two civil servants attached to the Department of Agriculture.

LEVIES AND BOUNTIES

There is no levy or bounty on exports of live pigs to the United Kingdom, but an export licence has to be obtained. This enables the Commission to control exports and so prevents the shipment of all the live pigs to the United Kingdom, where they now would bring a better price, owing to the war, than they do at home. At present there is no levy or bounty on exports of bacon, but the amount and the effective date of such a levy and bounty may be fixed at any time by the Commission.

It is proposed to impose the levy on bacon sold in the best market and to place the revenue derived therefrom at the disposal of the Commission to pay a bounty on bacon sold in the poorer market. For example the levy may be imposed on bacon sold in Great Britain to subsidize the sale of bacon in Eire.

In normal times, with all countries competing in exports to the United Kingdom, world prices are too low to meet the cost in Eire of producing bacon or butter for export.

INSURANCE SCHEME

The rate of insurance is 9d. per carcass. Up to the present the bacon curers have deducted this amount from the price paid to producers for pigs, and retained the proceeds to offset the losses, which they have assumed, from the condemnation of shipments as a result of government inspection. This system did not work out fairly, because in some districts there were heavy condemnations and in others they were light. It has, therefore, been decided to create a general insurance fund for the whole country, to be collected by the Commission, who will investigate all claims for condemnations and make all payments therefrom.

DISLOCATION OF GERMAN TRADE WITH THE UNITED STATES

D. S. COLE, CANADIAN TRADE COMMISSIONER

New York, January 22, 1940.—The United States Treasury Department's decision of March, 1939, with respect to the application of the countervailing duty provision to imports from Germany was an outstanding development that focused attention on the decline of Germany's trade with the United States. Factors contributing earlier to this decline were:—

(1) The barter procedure under which United States trade with Germany had to be conducted in the past two years.

(2) The disinclination of considerable numbers of United States citizens to buy or handle German goods. (This is the statement of the United States Tariff Commission).

(3) The effects of the German National Socialist program on the character of goods available in Germany for export.

(4) The decrease in the gold value of the United States dollar during a period when the official gold value of the German mark was maintained, making it difficult for German producers to sell in United States markets.

(5) The reduced United States rates of duties resulting from Mr. Cordell Hull's trade agreements, which are not applicable to imports from Germany.

GERMAN BARTER SYSTEM AND UNITED STATES COUNTERVAILING DUTIES

In common with other countries the United States for a considerable period was forced to follow a barter system of trade with Germany. In 1935 funds known as "Aski" marks were introduced into United States-German trade. These were created by the exportation of certain essential raw materials to Germany and could be used by United States importers to pay for certain specified

products they imported from Germany. "Aski" accounts were opened for United States banks, which bought the funds from exporters and sold them to importers, the price range being from 26 cents to 35 cents per "Aski" mark. During this period the gold value of the German mark remained at approximately 40 cents.

As a result of the subsidies created by the use of the "Aski" mark, the United States Treasury Department on June 4, 1936, imposed countervailing duties on the importation of certain German goods so affected. The order was subsequently withdrawn in August, 1936, when the Treasury Department received assurance from the German authorities that the subsidies to German exporters on new orders had been withdrawn. Consequently, all the "Aski" mark accounts expired by the end of March, 1937.

The next change in United States-German trade was in April, 1937, when the "Inland Account" procedure was introduced and which operated as follows. An American importer of German goods, exports of which from Germany were permitted under barter arrangements, sold certain United States goods, usually purchased for the purpose, in Germany for marks at a premium over the world price. These marks were deposited to his credit in a so-called "Inland Account" in a German bank from which they were disbursed to pay for the goods shipped to the United States. Since the United States importer had received more marks for the American goods sold in Germany than the dollar price of the goods and the official foreign exchange value of the mark would justify, he was able to sell the German goods brought into the United States at lower dollar prices than he could have sold them had he paid the official rate for the marks. (The ultimate effect of these arrangements, of course, was to depreciate the exchange value of the mark for such transactions).

Under a United States Treasury Decision of March 18, 1939, countervailing duties were assessed on dutiable merchandise from Germany acquired through "barter" transactions of the sort described above, on the grounds that such transactions constituted a subsidy to German exports. In recent years 65 per cent or more of the United States total imports from Germany have been dutiable and it appears that the great bulk of these have been effected through barter arrangements.

On December 9, 1939, a decree was issued by the German Ministry of Economics providing that "the permits for the maintenance of United States inland accounts which expired on December 31, 1939, would not be further extended". This decree brought to an end the "Inland Account" procedure by which a large part of United States-German trade had been carried on in recent years.

ANNEXATION OF AUSTRIA AND CZECHO-SLOVAKIA

With the annexation by Germany of Austria and Czecho-Slovakia, trade of the United States with these countries became subject to the influences described above. Therefore, where possible this report combines statistics of trade with Germany with those for Austria and Czecho-Slovakia.

GERMANY'S POSITION AS A SUPPLIER TO THE UNITED STATES

Germany has held a prominent position among the leading countries from which the United States secured her imports. For the year 1937 Germany ranked twelfth as a supplier, imports for consumption from that country amounting to \$91,175,901 or 3 per cent of the total United States imports. Imports in 1937 from Austria and Czecho-Slovakia amounted to \$5,556,778 and \$35,729,485, respectively.

During 1938 Germany became the eighth leading supplier, but imports from Germany, including Austria, only amounted to \$63,840,096 or 3.3 per cent of the total United States imports. Imports for this period from Czecho-Slovakia totalled \$27,201,374.

The following table shows the values of the general imports* into the United States from Germany, Austria, and Czecho-Slovakia for the years 1928 to 1938:—

United States General Imports From Germany, Austria and Czecho-Slovakia

	Germany	Austria	Czecho-Slovakia	Total
		Thousands of Dollars		
1928	221,130	12,121	36,783	271,034
1929	254,688	12,235	46,129	313,052
1930	176,981	7,780	29,584	214,345
1931	127,039	4,108	23,162	154,309
1932	73,572	2,611	13,021	89,204
1933	78,185	2,591	14,650	95,426
1934	68,805	2,586	17,552	88,943
1935	77,792	2,869	21,410	102,071
1936	79,679	4,109	23,513	107,301
1937	92,446	5,757	37,183	135,408
1938	64,537	1,276†	26,174	91,174

†Statistics for Austria included with Germany beginning May 6, 1938.

For the first nine months of 1939 Germany held ninth position among the suppliers, the value of German imports being \$53,875,000 or 3.3 per cent of total United States imports. This total included imports from Austria and Czecho-Slovakia.

For the three months beginning September, 1939, United States imports for consumption (commodities entered for immediate consumption plus goods withdrawn from bonded warehouses) from Germany, including Czecho-Slovakia, were: September, \$2,044,106; October, \$1,624,895; November, \$2,522,070; total, \$6,190,981. The separate figures for Czecho-Slovakia were: September, \$98,320; October, \$58,609; November, \$48,783; total, \$205,712.

The total imports from Germany, including Austria and Czecho-Slovakia, for the three months since the war commenced, amounting to \$6,190,981, showed a decrease of \$19,422,684 from the total of \$25,613,665 for the September-November period of 1938.

The ratio of German goods imported into the United States to total imports in 1932 was 6.6 per cent. For the years 1934 and 1935 the ratio dropped to 4 per cent, and for 1936 it was 3.6 per cent. After declining to 3.5 per cent in 1937 the ratio rose to 3.8 per cent in 1938 due to the inclusion of goods from Austria and parts of Czecho-Slovakia. *During the first three months of the war the ratio dropped to one per cent.*

CHIEF UNITED STATES IMPORTS FROM AUSTRIA, CZECHO-SLOVAKIA,
AND GERMANY

The following figures, obtained from the Bureau of Foreign and Domestic Commerce, Department of Commerce, Washington, D.C., show the chief imports into the United States from Austria, Czecho-Slovakia, and Germany for the years 1937 and 1938:—

*Principal Imports for Consumption into the United States from Austria,
Czecho-Slovakia and Germany in 1937*

	Austria	Czecho-Slovakia	Germany	Total
Total value.	\$5,556,778	\$35,729,485	\$91,175,901	\$132,462,164
Animal and animal products, edible. . .	362,000	334,000	1,607,000	2,633,000
Animal and animal products, inedible. . .	789,000	6,573,000	2,664,000	10,026,000
Leather footwear (women and misses) . .	5,666	2,596,315	1,482	2,603,463
Leather gloves (women and children) . .	13,901	1,882,368	473,893	2,370,162

*General imports of merchandise include commodities entered immediately upon arrival into merchandising or consumption channels, plus commodities entered into bonded customs warehouses for storage. Imports for consumption include commodities entered immediately upon arrival into merchandising or consumption channels plus commodities withdrawn for consumption from bonded warehouses.

	Austria	Czecho-Slovakia	Germany	Total
Vegetable food products and beverages..	47,000	1,763,000	2,640,000	4,450,000
Barley malt..	6,588	1,509,282	16,354	1,532,224
Vegetable products, inedible, except fibres and wood..	61,000	2,126,000	8,051,000	10,238,000
Hops..	....	1,696,739	580,529	2,277,268
Sugar beet seed..	....	214,579	811,854	1,026,433
Palm-kernel oil..	....	....	4,199,280	4,199,280
Peat moss..	....	....	630,218	630,218
Textile fibres and manufactures..	1,508,000	13,088,000	4,038,000	18,634,000
Cotton gloves..	34,962	2,488,279	789,713	3,312,954
Jute burlaps..	21,820	1,037,834	588,597	1,629,251
Cotton cloth..	25,410	700,245	190,952	916,607
Rayon wearing apparel..	8,463	10,319	247,259	266,041
Artificial flowers and fruits..	....	770,637	528,115	1,298,752
Cotton table damask..	....	686,327	....	686,327
Flax table damask..	....	855,048	14,958	870,006
Flax napkins..	....	902,031	19,729	921,760
Other flax fabric..	4,471	1,082,336	18,582	1,105,389
Wood and paper..	463,000	2,229,000	5,852,000	8,544,000
Sulphite pulp..	221,301	1,764,922	2,788,281	4,774,504
Surface-coated paper..	....	....	608,106	608,106
Newsprint paper..	....	....	358,231	358,231
Non-metallic minerals..	1,146,000	4,796,000	6,849,000	12,791,000
Glassware, brown, coloured, etc..	44,438	1,378,181	1,364,545	2,787,164
Imitation precious stones..	537,242	999,513	390,165	1,926,920
Cylinder, crown and sheet glass..	....	564,876	235,517	800,393
Illuminating glassware..	....	559,049	77,026	636,075
Mineral wax..	37,857	33,651	691,347	762,855
Domestic and porcelain ware..	4,650	333,239	588,621	926,510
Magnesite, dead burned, and grain..	351,253	6	....	351,259
Metals and manufactures, except machinery and vehicles..	474,000	1,224,000	9,501,000	11,199,000
Steel pipes and tubes..	....	15,739	3,119,725	3,135,464
Nails..	35,712	59,829	716,919	812,460
Machinery and vehicles..	94,000	93,000	8,097,000	8,284,000
Chemicals and related products..	59,000	417,000	27,226,000	27,702,000
Coal tar intermediaries..	....	....	1,269,941	1,269,941
Coal tar, colours, dyes, and stains..	....	....	2,538,282	2,538,282
Sodium sulphate, crude..	....	....	1,598,596	1,598,596
Sodium cyanide..	....	....	1,071,732	1,071,732
Chloride, crude..	....	....	6,667,623	6,667,623
Kianite..	....	....	803,191	803,191
Potassium sulphate, crude..	....	....	2,106,971	2,106,971
Potassium nitrate, crude..	....	....	744,304	744,304
Miscellaneous..	554,000	2,988,000	14,652,000	18,194,000
Beaded articles..	12,073	1,049,063	46,028	1,107,164
Cameras..	....	15,290	3,372,469	3,387,759
Accordions..	....	24,385	947,626	972,011

Principal Imports for Consumption into the United States from Austria, Czecho-Slovakia and Germany in 1938

	Austria*	Czecho-Slovakia	Germany*	Total
Total value..	\$1,307,670	\$27,201,374	\$62,532,302	\$ 91,041,346
Animal and animal products, edible..	125,000	225,000	810,000	1,160,000
Animal and animal products, inedible..	129,000	4,626,000	1,659,000	6,414,000
Leather footwear (women and misses)..	244	2,103,270	13,995	2,117,469
Leather gloves (women and children)..	21	1,208,404	44,377	1,252,802
Vegetable food products and beverages..	8,000	1,210,000	1,412,000	2,630,000
Barley malt..	....	765,039	30,285	795,324
Vegetable products, inedible, except fibres and wood..	10,000	1,781,000	2,226,000	4,017,000
Hops..	....	1,483,802	104,015	1,587,817
Sugar beet seed..	....	10,522	427,204	437,726
Palm-kernel oil..	....	....	....	....
Peat moss..	....	....	525,564	525,564
Textile fibres and manufactures..	342,000	9,103,000	1,680,000	11,425,000
Cotton gloves..	6,534	2,133,314	60,485	2,200,333
Jute burlaps..	93	377,609	156,374	534,076
Cotton cloth..	2,996	386,076	147,373	536,445
Rayon wearing apparel..	1,142	6,242	12,171	19,555
Artificial flowers and fruits..	....	664,998	133,802	798,800
Cotton table damask..	....	631,247	....	631,247
Flax table damask..	....	577,974	1,173	579,147
Flax napkins..	....	512,916	9,687	522,603
Other flax fabric..	797	809,384	3,901	814,082

* Austrian figures for 1938 are for period January 1 to May 5, inclusive; after that date they are included with Germany.

*Principal Imports for Consumption into the United States from Austria,
Czecho-Slovakia and Germany in 1938—Concluded*

	Austria*	Czecho- Slovakia	Germany*	Total
Wood and paper.	115,000	1,501,000	3,899,000	5,515,000
Sulphite pulp.	4,188	1,185,576	1,381,185	2,570,949
Surface-coated paper. . . . .	....	....	477,644	477,644
Newsprint paper. . . . .	....	....	329,984	329,984
Non-metallic minerals.	231,000	4,065,000	4,725,000	9,021,000
Glassware, brown coloured, etc.	16,608	996,045	1,043,219	2,055,872
Imitation precious stones.	133,114	838,300	754,793	1,726,207
Cylinder, crown and sheet glass. . . . .	....	328,997	160,796	489,793
Illuminating glassware. . . . .	....	541,829	33,611	575,440
Mineral wax.	5,459	64,039	494,135	563,633
Domestic and porcelain ware.	663	436,392	371,886	808,941
Magnesite, dead burned and grain.	49,000	....	54,860	103,860
Metals and manufactures, except machin- ery and vehicles.	82,000	1,337,000	6,184,000	7,603,000
Steel pipes and tubes. . . . .	....	136,537	1,578,521	1,715,058
Nails.	3,622	1,282	465,089	469,993
Machinery and vehicles.	15,000	64,000	6,828,000	6,907,000
Chemicals and related products.	12,000	229,000	18,642,000	18,871,000
Coal tar intermediaries. . . . .	....	....	1,198,097	1,198,097
Coal tar colours, dyes, and stains. . . . .	....	....	2,718,941	2,718,941
Sodium sulphate, crude. . . . .	....	....	1,059,020	1,059,020
Sodium cyanide. . . . .	....	....	487,664	487,664
Chloride, crude. . . . .	....	....	2,666,542	2,666,542
Kianite. . . . .	....	....	281,242	281,242
Potassium sulphate, crude. . . . .	....	....	1,253,183	1,253,183
Potassium nitrate, crude. . . . .	....	....	661,299	661,299
Miscellaneous.	147,000	3,001,000	14,467,000	17,615,000
Beaded articles.	649	1,207,575	15,455	1,223,679
Cameras. . . . .	....	31,583	3,757,182	3,788,765
Accordions. . . . .	....	14,737	540,530	555,267

* Austrian figures for 1938 are for period January 1 to May 5, inclusive; after that date they are included with Germany.

PRINCIPAL IMPORTS FROM GERMANY AND AUSTRIA

Imports from Germany and Austria fall into a great number of import classifications. In 1937 only thirteen commodities as classified in the detailed import statistics were imported from Germany and Austria to a value in excess of one million dollars each, while imports of 264 classifications from these countries exceeded \$50,000 each.

A large part of the United States imports from Germany have been in the chemical group and have included such items as crude and intermediate coal tar products, synthetic alizarin, muriate of potash, crude potassium sulphate, crude sodium sulphate, and sodium cyanide. In 1937 palm-kernel oil was a very important item, but in 1938 there were no imports of this commodity from Germany. Outside of the chemical group items of largest importance are wood pulp, textile and other types of machinery, cameras, steel pipes and tubular products, and glass Christmas tree decorations. Sugar beet seed and cotton gloves, which were major items in the 1937 imports, were of minor importance in 1938.

Imitation precious stones was the only item imported from Austria in 1937 with a value exceeding \$500,000. Other principal imports from that country included manufactures of cotton, dead burned magnesite, knitted or crocheted outerwear, some varieties of cheese, and sheep, lamb and goat sausage casings. Imitation precious stones and dead burned magnesite from Austria were the only commodities from that country forming a substantial part of the total United States imports of these commodities from all sources.

PRINCIPAL IMPORTS FROM CZECHO-SLOVAKIA

The items of largest value imported from Czecho-Slovakia in 1937 and 1938 were leather footwear, leather gloves, glass and porcelain wares, imitation precious stones, wood pulp, manufactures of flax, jute fabrics, and various other textile products.

Under the United States-Czecho-Slovakia Trade Agreement, effective April 16, 1938, United States tariff rates were reduced on a number of the commodities enumerated above as well as on others. Following annexation by Germany, the reduced rates ceased to be effective on April 22, 1939, except where the item had been similarly provided for in other agreements. However, practically all of the imports from the territory within the pre-Munich boundaries at Czecho-Slovakia have ceased to enjoy the trade agreement rates, whether provided for in the trade agreement referred to or in agreements with other countries. Several of the more important items came from the Sudeten area and goods from that area if exported after November 9, 1938, were subject to the same rates as those applicable to imports from Germany. Similarly, goods from Bohemia and Moravia after March 17, 1939, became subject to the same tariff treatment as goods from Germany.

CANADIAN INQUIRIES

The Department of Trade and Commerce is now represented in the United States by trade commissioners at New York, N.Y., Chicago, Ill., and Los Angeles, Calif., and Canadian exporters interested in the replacement of German goods for the United States from Canadian sources should communicate with these offices.

It will be noted that, in general, German, Czecho-Slovakian and Austrian trade with the United States has consisted of commodities which Canada is not in a position to supply, except for a few items such as sulphite pulp, newsprint paper and peat moss.

EFFECT OF THE WAR ON ANGLO-EGYPTIAN SUDAN IMPORT TRADE

HENRI TURCOT, CANADIAN TRADE COMMISSIONER

(£E.1 is equal to about \$4.66, Canadian currency)

Cairo, December 29, 1939.—Total imports into the Anglo-Egyptian Sudan in 1938 and 1937 amounted to £E.6,283,397 (\$29,322,853) and £E.6,283,076 (\$29,321,021), the shares of supplying countries being as follows:—

Imports into the Anglo-Egyptian Sudan, 1938 and 1937

	1938 £E.	1937 £E.
Total	6,283,397	6,283,076
Great Britain	1,647,942	1,467,941
Egypt	1,445,722	1,418,228
Abyssinia	78,829	145,042
South Africa	194,530	83,886
United States	146,600	144,505
Arabia	6,373	17,768
Australia	131,321	145,059
Belgium	59,314	112,949
British India	284,400	424,047
Belgian Congo	12,870	21,441
Dutch East Indies	244,634	274,632
Eritrea	9,532	6,091
France	52,637	83,625
Germany	111,116	161,852
Holland	21,560	18,153
Italy	43,582	57,242
Japan	1,101,608	1,182,001
Kenya	47,015	70,675
Other countries	643,812	447,939

One of the first effects of the war on the Sudan has been a change in the distribution of the import trade, since trading with enemy countries has been prohibited and imports from various other markets have been difficult to obtain. It follows that an enlarged outlet exists in the Sudan for countries in a position to supply, and it is estimated that, at least in some commodities, new opportunities are available in that market for Canada.

IMPORTS FROM ENEMY COUNTRIES

Of the enemy countries shipping goods to the Sudan, only Germany is listed in the official statistics. Imports from that country amounted to £E.111,116 (\$518,541) and £E.161,852 (\$755,309) in 1938 and 1937 respectively. The principal imports from Germany in these two years, 1937 figures being within parentheses, were as follows: Cotton piece-goods, £E.477 (£E.206); artificial silk piece-goods, £E.284 (£E.190); machinery, tools, and parts, £E.8,146 (£E.6,720); iron and steel ware, £E.11,176 (£E.11,838); motor vehicles, cycles and parts, including tires, £E.1,713 (£E.1,245); coal, coke, patent fuel, and oil fuel, £E.420 (£E.32,461); lubricating mineral oil, £E.897 (£E.1,381); beer, stout, and ale, £E.6,668 (£E.9,726); clothing and hosiery, £E.245 (£E.213); stoneware, earthenware, and glassware, £E.31,211 (£E.28,922); chemical and medicinal products, £E.7,102 (£E.12,988); timber, including railway sleepers, £E.114 (£E.3,535); dyestuffs, tanstuffs, and colours, £E.4,238 (£E.3,536); scientific and surgical instruments, £E.1,029 (£E.1,018); paper and printed matter, £E.1,799 (£E.2,916).

IMPORTS FROM OTHER COUNTRIES

It is difficult or impossible for the Sudan to obtain various goods from several countries, owing either to shipping conditions or to export prohibitions. This situation enlarges further the field for countries whose exports can reach that market. It is not easy, however, to state exactly the opportunities in this respect, since details as to the trade affected are not available. Broadly speaking, it may be said that manufactured goods, foodstuffs, and timber are involved.

IMPORTS FROM CANADA

Canadian products listed in the itemized imports of the Sudan for 1938 and 1937, 1937 figures being within parentheses, are as follows: Preserved fish, £E.325 (£E.153); timber for joinery, £E.20,568 (£E.30); railway sleepers, £E.104,221 (£E.32,717); medicinal preparations, nil (£E.895); motor vehicles, £E.377 (nil); metals and metalware, £E.3,662 (£E.4,385); tires, £E.3,129 (nil); and tubes, £E.548 (nil). The total value of imports from Canada is £E.129,153 (£E.38,180).

OPPORTUNITIES FOR CANADA

It is believed that, under current conditions, Canada can increase her already existing trade with the Sudan, particularly with respect to timber, preserved fish, medicinal preparations, motor vehicles, tires and tubes, keep up her trade in railway sleepers for which she has a practical monopoly, and find a market for a number of manufactured articles and some varieties of foodstuffs, such as canned vegetables, and canned fruit.

WHEAT AND FLOUR TRADE IN DENMARK

T. J. MONTY, ASSISTANT TRADE COMMISSIONER

[One Danish krone (100 ore) equals approximately \$0.215 Canadian; one metric ton equals 2,204 pounds; one kilo equals 2.2 pounds]

Oslo, December 15, 1939.—One of the principal features of the grain situation in Denmark is the constant increase in production, particularly during the last decade. Since 1930 the acreage devoted to the cultivation of wheat has increased by some 30 per cent and production by some 66 per cent. The result of these increases has been a corresponding decrease in the imports of wheat and of wheat flour, the reduction in the latter being also due to the adoption of a compulsory mixing policy. Imports in 1938 have been the smallest since 1930, as a result of the large crops during the past two years.

Another factor affecting the importation of cereals is the fact that Denmark, an agricultural country, has concentrated upon the production of high-grade animal produce for export and so requires large quantities of feeding stuffs. When domestic crops of necessary feeding stuffs are insufficient, they are supplemented by imports, wheat being an important item.

Despite reduced imports, Canada has maintained its position as one of the principal sources of supply for wheat. In the case of wheat flour, due to trade arrangements with Great Britain, Denmark's main market for its products, that country has been the sole source of supply of this commodity for the past four years.

Exports from Denmark are of minor importance, amounting in 1938 to 6,000 tons of wheat and 1,000 tons of flour, shipped to neighbouring countries and Danish possessions.

PRODUCTION OF WHEAT

The production of wheat in Denmark has been constantly increasing. The following table shows the acreages sown, the yields in metric tons and bushels at the rate of 60 pounds to the bushel for the years 1930 to 1938 inclusive:—

	Acreage	Production	
		Tons	Bushels
1930	249,077	278,000	10,210,940
1931	259,025	273,600	10,049,328
1932	248,284	299,300	10,993,289
1933	260,836	314,200	11,540,566
1934	280,468	349,600	12,840,808
1935	311,927	399,300	14,666,289
1936	295,672	306,600	11,261,418
1937	319,117	368,000	13,554,533
1938	324,940	460,920	16,930,974

The foregoing figures indicate the increase in both acreage and yield. The increase in acreage has been constant, apart from slight regressions in 1932 and 1936. The total increase as between 1930 and 1938 amounts to nearly 76,000 acres or a little over 30 per cent. Crops have also been gradually increasing, except in 1936 when, due to a reduction of acreage and poor yields, the total production fell by some 3,500,000 bushels from the figure for the previous year. In 1938, as in the year before and in 1935, there was a bumper crop which brought production for that year up to the highest level yet reached (almost 17,000,000 bushels), a 66 per cent increase over the crop year 1930 and a record production of more than 2,000,000 bushels over and above the previous peak figure recorded in 1935.

In conjunction with the increased production of wheat, the production of other cereals has also shown expansion. Cereals which are used extensively for bread-making, such as rye, also grains which are used largely as feeding stuffs, such as barley, oats and mixed grains, all have a bearing upon the import trade in wheat. The following table, showing the production of these grains for the years 1937 and 1938 respectively, illustrates their importance in relation to the production of wheat and the bumper crops harvested during those years:—

	1938	1937
	M. Tons	M. Tons
Wheat	460,900	367,900
Rye	283,600	251,200
Barley	1,359,300	1,099,300
Oats	1,144,200	1,024,900
Mixed grain	795,300	753,900

FLOUR MILLING

The wheat-flour milling industry in Denmark has been steadily increasing its production to a point where it almost entirely meets the requirements of the

local market. The following table shows the production of wheat flour in comparison with imports for the nine-year period 1930 to 1938 inclusive:—

	Imports M. Tons	Production M. Tons		Imports M. Tons	Production M. Tons
1930.....	71,223	108,800	1935.....	15,693	157,000
1931.....	67,999	109,300	1936.....	8,426	165,700
1932.....	43,894	123,200	1937.....	8,457	161,900
1933.....	35,732	148,500	1938.....	19,836	157,300
1934.....	21,940	146,200			

The foregoing table shows that production in 1938 of 157,300 metric tons was a decrease of nearly 5,000 tons as compared with the figure for the previous year. It may also be noted that during 1936 and 1937 the production of flour had risen by some 55,000 tons a year above the 1930-31 level, while imports declined by some 60,000 tons a year. Increased production has therefore compensated for and been the cause of decreasing imports. This production of the flour-milling industry in 1938, however, has receded to its 1935 level and imports have been correspondingly greater.

The domestic flour-milling industry has benefited by the policy adopted by the authorities requiring licences for imports, which have been restricted both as to quantity and origin. There is still a demand in Denmark for imported flour, especially of higher grades, but the local flour-milling industry would now appear to be fully capable of catering to the domestic market in the event that imports should cease altogether.

In regard to milling practice, an amendment to the Danish grain laws was made in November, 1938, whereby it was made compulsory to add a certain admixture of Danish wheat in the milling of wheat flour. As from December of that year the percentage of Danish wheat to be used has been fixed at 50 per cent. Before any compulsory mixing regulations were in force Danish mills had been accustomed to use approximately 80 per cent foreign wheat and 20 per cent Danish.

The Minister of Agriculture and Fisheries may grant permission for commercial mills to mill foreign and domestic wheat separately, provided the flour of the foreign wheat is mixed in the proportion required with flour of Danish wheat either at the mill or at one of the mixing plants designated by the Minister. The above-mentioned percentages may be changed by the Minister of Agriculture and Fisheries after deliberation with the Agricultural Council if Danish wheat cannot be obtained in sufficient quantities or if the price of Danish wheat should warrant such action.

The Minister of Agriculture and Fisheries may require all mills that are milling bread grain for human consumption to be in possession of an authorization issued by the Minister under certain conditions.

IMPORT TRADE IN WHEAT

As a result of bumper crops in 1937 and 1938, imports of wheat in the latter year were reduced to the lowest level since 1930. Not only has the 1938 crop affected imports in 1938 but in 1939 as well. For the nine-months period January to September, 1939, imports of wheat amounted to only 64,236 tons in comparison with 126,573 tons for the same period in 1938, a reduction of approximately 50 per cent.

The following table shows the imports of wheat into Denmark from principal supplying countries for the years 1932 to 1938 inclusive:—

Imports of Wheat into Denmark

	1932	1933	1934	1935	1936	1937	1938
Figures in Metric Tons of 2,204 Pounds							
Total	296,353	299,416	360,741	365,062	243,272	172,558	166,073
Germany.....	124,914	151,012	55,772	2,781	1,671	1,459	1
Great Britain	2,526	3,313	6,599	20,848	11,961	11,283	.....
Sweden	1,463	378	14,921	5,557	48,883	3,199	32
Poland and Danzig	1,754	.....	825	12,633	16,867	897	.....

	1932	1933	1934	1935	1936	1937	1938
	Figures in Metric Tons of 2,204 Pounds						
Holland	15,229	8,151	11,675	28,739	7,445	8,253	207
Belgium		2,192	20,086	148,568	14,711	6,872	.....
France			113,763		5,932	3	.....
Switzerland.. . . .	926	1,682	5,300	.....	.....	299	.....
Austria						254	.....
Hungary.. . . .	497	101	508	.....	609	2,391	.....
Czecho-Slovakia.					1,153	7,564	.....
Yugoslavia.. . . .	19				203	.....	4,635
Bulgaria.. . . .	2,722					29	299
Roumania	5,796				1,598	3,604	1,107
Canada	50,480	45,036	29,989	18,894	10,738	7,572	49,423
United States	30,041	41,496	58,726	78,458	116,649	105,409	81,253
Argentina	56,535	44,948	40,522	25,731	4,824	12,965	28,665
Uruguay						505	226

It may be noted from the foregoing table that imports from Germany were quite substantial during the years prior to 1935 but have been reduced to negligible proportions. As regards these imports, it is frequently more convenient to purchase small quantities of a few hundred tons from Hamburg than from Copenhagen, which serves as a distributing centre for the north and east coast ports. Most of the imports from Hamburg are of wheat that has been sold in the Free Port and is re-exported in small parcels, and these imports may have ceased during the last few years.

Another feature of interest is the large import figures attributed to the United States. Since the United States was not an important exporter of wheat during the period 1934-36, a large part of the imports attributed to that country may in all probability have been of Canadian origin, due to the heavy shipments of Canadian grain from United States ports. A share of the imports attributed to Great Britain may also have been of Canadian origin. The table of imports does not, therefore, present a true picture of the situation as regards imports of wheat, especially from Canada, and it may be safely assumed that such imports are much larger than the figures shown. Nevertheless, Canada is among the important suppliers of wheat to Denmark, and the high quality of Canadian grain is in demand for mixing with domestic and other grains for bread-making purposes.

In this regard, it may also be mentioned that considerable imports of this grain are not for milling purposes, but consist of low-grade qualities for feeding purposes. As the statistics do not make any distinction between the two, it is impossible to determine what the proportions are, as imports of feeding wheat depend on the size of the domestic crops of feeding stuffs. In 1936, however, 25 per cent of the total wheat imports consisted of feed wheat. As the crops of feeding stuffs in the past two years have been large, the proportion of feed wheat in the 1938 imports were likely reduced.

The 1938 imports from Canada amounted to almost 50,000 metric tons, a considerable increase over the figures for the past few years. Imports from the United States in 1938 totalled 81,000 tons, a decrease of some 24,000 tons from 105,000 in 1937. It may be repeated, however, that while the table of imports shows that Canada is an important source of supply for wheat, it does not show the full extent of Canadian imports, and, since imports include feed wheat, Canada's share of the milling wheat imports is proportionately higher.

With regard to imports of wheat and other grains into Denmark for 1939, the following table shows that for the period January to September imports are only half as large as for the corresponding period of 1938.

	Jan.-Sept., 1939	Jan.-Sept., 1938
	M. Tons	M. Tons
Wheat	64,236	126,573
Rye	68,422	89,150
Barley	1,103	26,147
Oats	118	44,540
Maize	116,143	280,155

IMPORT TRADE IN WHEAT FLOUR

The following table shows the imports of wheat flour into Denmark from principal sources of supply for the years 1932 to 1938 inclusive:—

Imports of Wheat Flour into Denmark

	1932	1933	1934	1935	1936	1937	1938
	Figures in Metric Tons of 2,204 Pounds						
Total	43,894	35,732	21,940	15,693	8,426	8,457	19,836
Germany	601	1,236	1,211	34	21	20	....
Great Britain	17,942	23,562	15,341	14,889	8,290	8,387	19,587
Soviet Russia	2,936	57	....	....	....	....	....
France	871	1,051	144	78	9	3	127
Canada	9,170	8,076	4,406	585	44	25	18
United States	12,032	1,238	801	93	59	20	103

Flour imports, which in 1930 amounted to 71,000 metric tons, after declining to some 8,000 tons in 1936 and 1937, increased somewhat in 1938 to almost 20,000 tons. This decline may be accounted for principally by the increased production of domestic mills, which benefited from the policy of licensing imports. Canada and the United States were formerly the principal suppliers of wheat flour to Denmark, but since 1931, as a result of the adoption of the policy of effecting purchases where sales are made in Denmark's effort to balance her trade, imports of wheat flour have come mainly from Great Britain. For the past four years 99 per cent of the total imports of wheat flour into Denmark have come from that country. Imports from the United Kingdom had also been gradually decreasing since 1933, but in 1938 a decided advance was recorded. As a result of increasing home production, dealt with elsewhere in this report, it may be assumed that imports of wheat flour will tend to become still less. Purchases from Canada are now almost negligible, the small imports of 25 tons in 1937 and 18 tons in 1938 consisting of shipments for which exceptional import licences were granted.

GOVERNMENT POLICY WITH RESPECT TO WHEAT AND FLOUR

The Danish Grain Law of December, 1937, effective January 1, 1938, for a period of two years, has been the basis for the regulation of the wheat and flour trade in Denmark.

This law has followed in a general way the law of April, 1936, and taxes were again imposed on foreign grains, although no distinction was made between hard and soft wheat as in the previous law, nor were there any provisions concerning wheat flour, on which a tax was formerly assessed.

Importers were required to submit to the State Grain Office bi-monthly statements covering all contracts made with foreign countries during preceding periods.

Taxes were so fixed that c.i.f. prices Danish ports, including taxes, should be as follows per 100 kilos:—Wheat and barley, 14 kroner; rye and maize, 13.50 kroner; oats and mixed grain, 13 kroner. These prices are to be increased by 10 öre on January 1, 20 öre on February 1, 30 öre on March 1, and 40 öre on April 1, during the years the law is in force. The increase is to remain in effect until September 1 of each year, when prices will again be reduced to those mentioned above. The c.i.f. price shall be the lowest for each type of grain of good quality. The purpose of fixing the prices on these grains is to compensate Danish producers should world market prices fall below the level fixed by the law. The taxes are to be raised or lowered when the prices of grain increase or decrease, but only after a week has elapsed and the c.i.f. price has altered by at least 25 öre per 100 kilos.

If any of the grains mentioned in this law are imported crushed, coarsely ground, malted, milled, or in the form of groats or similar products, corresponding taxes will be fixed by the Minister of Agriculture and Fisheries. Similar taxes may be fixed on other products which in the opinion of the Minister of Agriculture and Fisheries can be used as feeding stuffs instead of the above-mentioned grains.

The tax on maize will vary according to the ratio between the prices of maize and pork, at present approximately 1 to 10. With a rise in the price of pork in relation to the price of maize, the tax on maize will be proportionately increased, and vice versa, when the change varies by more than half a point within four consecutive weeks.

The taxes are to be collected by the Customs on clearance of the goods according to the rates in effect on the date of clearance. The proceeds of the tax will go to make up a fund under the administration of the Minister of Agriculture and Fisheries, which will be distributed among all owners of farms having a land value of 10,000 kroner or less. A farm is considered to mean a property run on agricultural lines, having an area of at least 1.2355 acre ($\frac{1}{2}$ hectare) and a land value of at least 500 kroner. The proceeds, after deductions for expenses, will be distributed on a sliding scale as soon after September 1 of 1938 and 1939 as possible.

The law also provides that when grain or grain products are exported from Denmark, permission may be granted, under certain conditions, to the exporter to import a corresponding quantity of feed grain subject to a reduced tax.

In order to assist in the carrying out of the regulations contained in this law, it is provided that a Grain Committee shall be formed consisting of a chairman, appointed by the Ministry of Agriculture and Fisheries, and six members of which one each will be appointed by the Danish Co-operative Farmer's Association, the Danish Co-operative Cottars' Association, the co-operative feed firms, the Danish Grain and Feed Importers' Co-operative Association, the Association of Danish Trade Mills and the Co-operative Bakers' Association.

The Minister of Agriculture and Fisheries, in conjunction with the Minister of Trade, Industry and Shipping, and after joint deliberation with the Agricultural Council, is authorized to issue further regulations to control the importation of grain and grain products, as well as feeding stuffs, and to prohibit the export of the same products when it is considered expedient.

In this connection the Minister of Agriculture and Fisheries issued a decree on August 26, 1938, which went into effect immediately, whereby the importation or exportation of wheat and rye, both ground and unground, to and from Denmark was prohibited unless permission has been granted by the Government Grain Office. This measure was primarily taken owing to the fact that Denmark harvested large crops of good quality of both wheat and rye.

Another important amendment to this law was made in November, 1938, whereby compulsory admixture of home-grown wheat to the extent of 50 per cent was fixed, largely as a result of the heavy crops of grain harvested.

Up to the outbreak of hostilities in September, 1939, the foregoing grain laws have been in force, but in order to ensure the country's supplies of food-stuffs, as from September 2, 1939, an official organization, known as the Bread Grain Office, was set up for the purpose of controlling the entire import of bread grain into Denmark. It has the monopoly of importing all bread grains, supervising necessary arrangements for purchase, chartering, and allotment of shipments upon arrival to the Danish flour mills according to applications received for supplies.

As a result of the high level of prevailing prices, no taxation applies to imports of wheat, but in order to obtain the necessary funds to cover operating

expenses and to cope with possible price advances, a sales price to the mills of 26 kroner to 26.50 kroner per 100 kilos has been fixed—the purchase price of Canadian wheat is about 19.50 kroner (September, 1939)—in order to provide surplus funds to meet future contingencies.

In regard to wheat flour, no duties or taxes have been levied (up to November 1, 1939), but restrictions have been imposed whereby the importation of flour is subject to the import licensing system functioning under the Danish Exchange Control Laws. These laws enable the Government to regulate imports in favour of any supplying country and to afford the domestic industry and its products any desired measure of protection. Permits to import wheat flour, which serve the double purpose of assuring entry and foreign exchange in payment, are granted or withheld at the discretion of the Exchange Office of the National Bank, known as the Valuta Central.

Importers have no means of knowing in advance whether import permits will be granted or withheld, and no import permits for Canadian flour have been issued for the past two years. In exercising their discretion with respect to the allotment of permits, the responsible officials take into consideration, among other things, the balance of trade between Denmark and the country of origin of the goods to be imported. Preferred treatment with respect to permits is usually given in the case of goods which originate in a country with which Denmark has a favourable balance of trade. In this regard it should be noted that the balance of trade between Canada and Denmark has been strongly favourable to Canada, due to Denmark's purchases of Canadian wheat, as the appended tables show. Importers of Canadian goods, therefore, are not in a position to ask for favours with respect to the allotment of permits.

Since November 1, 1939, the Government has re-introduced an import tax on wheat flour amounting to 4.30 kroner per 100 kilos, which was in effect previous to January 30, 1937. A milling tax on wheat has also been imposed, amounting to 3 kroner per 100 kilos of wheat ground, which corresponds approximately to the import tax on wheat on the basis of 70 per cent flour in wheat.

At the same time the Government has fixed maximum prices for wheat flour in order to avoid an undue rise in the price of the domestic product, the competition from imported flour having become less severe due to wartime conditions.

The above is a brief summary of the recent legislation affecting wheat and flour in Denmark; these regulations are, however, no doubt subject to change, depending on future developments.

POSSIBILITIES FOR CANADIAN WHEAT

In order to better appreciate the future prospects for sales of Canadian wheat on the Danish market, the following table, showing the total imports, production and consumption of wheat in Denmark during the last nine years, may be of interest:—

	Imports M. Tons	Production M. Tons	Consumption M. Tons
1930..	146,098	278,000	424,098
1931..	397,080	273,600	670,680
1932..	296,353	299,300	595,653
1933..	299,416	314,200	613,616
1934..	360,741	349,600	710,341
1935..	365,062	399,300	764,362
1936..	243,271	306,600	549,871
1937..	172,558	368,000	540,558
1938..	166,073	460,920	626,993

From the foregoing table it may be noted that, while imports have varied considerably, production has steadily increased over the nine-year period. It may be added that imports include a certain percentage of feed wheat (as pointed out elsewhere in this report), especially during the years when domestic

crops of feeding stuffs have proven insufficient. As these crops have been good for the last few years, this has no doubt had a marked effect upon imports. The consumption figures do not represent accurately, therefore, human consumption requirements, as they also include lower grade wheats imported for feeding purposes. It is apparent, however, that imports have been decreasing for the last few years in accordance with increased production, and this is one of the main features of the wheat situation.

Another important feature, resulting in part from a growing home production, is the compulsory mixing of domestic wheat with imported wheat on a 50-50 basis for the milling of flour for human consumption. Such a regulation has the effect of reducing imports during good crop years, but at the same time necessitates the importation of a high-grade wheat such as Canada can supply. This may explain in part why Canada has maintained its position as one of the principal suppliers of wheat to Denmark, despite increased domestic production, and may be regarded as an encouraging factor in effecting future sales of Canadian wheat to this market.

As regards Canadian wheat flour, due to conditions briefly outlined above—sufficient home production capacity, the adoption of the policy of balancing trade accounts with foreign countries, and the necessity of safeguarding foreign exchange resources—it is unlikely that import licences for Canadian wheat flour, which have been consistently withheld, could be granted, especially under present circumstances.

The following tables show the official Danish figures for imports and exports of wheat and wheat flour by principal countries for the year 1938:—

Imports

From	Wheat		Wheat Flour	
	M. Tons	1,000 Kr.	M. Tons	1,000 Kr.
Total..	166,073	33,924	19,836	4,863
Great Britain . . . . .	....	....	19,587	4,801
Sweden	32	7	....	....
Netherlands.. . . .	207	47	1	1
France	5	2	127	28
Yugoslavia	4,635	670	....	....
Bulgaria.. . . .	299	56	....	....
Roumania	1,107	179	....	....
Canada	49,423	10,806	18	5
United States.. . . .	81,253	16,709	103	28
Brazil	218	47	....	....
Argentina.. . . .	28,665	5,361	....	....
Uruguay.. . . .	226	40	....	....

Exports

To	Wheat		Wheat Flour	
	M. Tons	1,000 Kr.	M. Tons	1,000 Kr.
Total..	6,117	1,103	1,301	326
Germany	20	6	2	....
Great Britain	1,554	314	....	....
Eire	222	44	....	....
Sweden	603	103	98	18
Iceland	32	5	214	55
Netherlands.. . . .	2,966	506	....	....
Belgium.. . . .	377	70	....	....
Switzerland.. . . .	332	53	....	....
Faroe Islands	7	1	594	136
Greenland	4	1	384	114

MARKET FOR ALFALFA MEAL IN THE EASTERN UNITED STATES

R. G. C. SMITH, ASSISTANT TRADE COMMISSIONER

New York, January 16, 1940.—Under ordinary conditions the United States is not an importer of alfalfa meal. In fact, because of the duty of 20 per cent on this commodity, extraordinary conditions would have to arise before it would be possible to supply this market from Canada. To some extent such conditions appear to be operating at the present time, but possibilities of any trade developing seem to be hampered by the lack of Canadian meal of the specifications required by eastern feed millers.

UNITED STATES PRODUCTION

The production of alfalfa meal in the United States has shown a tendency in the last few years to rise from the low levels of 1931 and 1932, but the volume is still below the higher figures of 1927-29 when production averaged over 351,000 short tons. Production is obviously affected by the alfalfa hay crop, but a comparison of the meal figures with those of alfalfa hay for the whole of the United States or for the western states (where most of the meal is produced) shows no relationship. This may be explained in part by the fact that the quality of the hay crop has a direct bearing on its suitability for milling into meal. The demand for meal is obviously dependent on the price of poultry produce and the number of chickens on the farms; but again, comparisons of egg prices and figures of chicken population with meal production figures similarly show no relationship.

The bulk of the alfalfa meal is produced in the southwestern states as the following table of production for the last five years (beginning June 1 in each case) shows:—

Production of Alfalfa Meal by Groups of States

	Washington, Arizona, California	Colorado, Idaho, Utah	Kansas, Nebraska, New Mexico Oklahoma	Illinois, Michigan, Ohio, Missouri	Total
	Thousands of Tons				
1934	68	11	86	30	211
1935	82	5	104	24	241
1936	96	8	187	29	355
1937	91	5	148	32	307
1938	120	3	79	28	282

In 1931 and 1932 production was as low as 187,000 and 169,000 tons respectively. The production area appears to be concentrating more in the Arizona and California territory. Production in these states in 1928 was only 34,000 tons, whereas the Washington, Idaho and Utah area produced 38,000 tons in that year (and maintained a good production for 1929 and 1930 after which it became an unimportant producer). Illinois, Michigan, Ohio and Missouri production has also diminished considerably from 98,000 and 75,000 tons produced in 1928 and 1929 respectively.

DISTRIBUTION

The eastern millers draw their supplies from the California region both via water and rail transportation. Ohio, Michigan and the Mississippi Valley are also important suppliers to the east.

Most of the meal is consumed in poultry feed mixes. It may be sold by brokers, dealers or direct to the larger consumers or millers. While it is a recognized ingredient in poultry mashers and is used as a year-round feed, its principal use is during the winter. It appears that for winter feeding the kiln-

dried meal is preferred; possibly because of the higher vitamin A and leaf content.

SPECIFICATIONS

Specifications for the meal used in the eastern states are not uniform, but most large millers appear to have their own standards. Generally there are two classes used, viz., high-grade leaf meal with a 20 per cent protein minimum, and a lower grade 17 per cent meal. These general classifications are further defined by requirements as to vitamin A units (possibly 75,000-100,000 units per pound in the 20 per cent grade), colour (green intensity), fibre content, length of fibre and possibly other specifications.

CURRENT SITUATION

This year prices have advanced possibly 30 per cent over last year or over normal times. This increase coincides with the sudden advance in hay prices in September and a shortage in the higher grades of alfalfa hay. There is no evidence, however, of a lack of supplies of meal from the Pacific Coast. Further the price increase has been sustained in spite of low egg prices during the autumn (considerably below 1938). On the other hand, laying flocks on December 1, 1939, were about 4 per cent greater than the number for the same period in 1938. However, the anticipated increase in egg production for 1940 may not further decrease prices, owing to increased consumer incomes. (During the last week egg prices have been steady and are now more or less equal to last year's prices at this time, when they were declining). In addition, dry milk stocks have been seriously depleted, and prices have been increased to the point where it is probable that the alfalfa percentage in mashes has been increased to displace a portion of the milk.

It is impossible, therefore, to give any current "market" quotations on alfalfa meal. The specifications required by some of the larger eastern users, together with prices, however, are on file at the Department of Trade and Commerce, Ottawa, for reference purposes.

FOREIGN TRADE OF JAPAN, JANUARY-SEPTEMBER, 1939

C. M. CROFT, COMMERCIAL SECRETARY

(During the period covered by this report the value of the yen averaged about 27 cents Canadian)

Tokyo, November 24, 1939.—Official statistics of the trade of Japan proper during the nine months ended September 30, 1939, show that the total trade was valued at 4,614,590,031 yen, consisting of exports of 2,453,869,650 yen and imports of 2,160,720,381 yen. Figures for the corresponding period of 1938 were: total trade, 3,869,397,505 yen; exports, 1,878,889,348 yen; and imports, 1,990,508,157 yen. Thus there was an excess of exports over imports of 293,149,269 yen in the 1939 period as against a balance of imports of 111,618,809 yen in the first nine months of 1938.

The total trade of the Japanese Empire (including Chosen, Taiwan and Nanyo) for the period under review was 5,042,602,771 yen, comprising exports of 2,722,487,172 yen and imports of 2,320,115,599 yen. For the first nine months of 1938 the total trade was 4,138,174,873 yen, the exports 2,020,367,503 yen and the imports 2,117,807,370 yen. There was an excess of imports in the 1938 period amounting to 97,439,867 yen and an excess of exports of 402,371,573 yen in 1939.

Details of the trade of the whole of the Japanese Empire are not available and all statistics and comments in the following paragraphs refer to Japan proper only.

TRADING POSITION

Japan's trade with the "yen-bloc" countries of Manchuria, Kwantung Province and China does not contribute directly to the Japanese balance of international payments; in fact, Japan has taken steps to divert as much export trade as possible to countries outside the "yen-bloc" so as to build up her foreign exchange. Consequently the actual trading position can best be seen by segregating the trade with the "yen-bloc" countries.

During the first nine months of 1939 Japan's exports to those countries amounted to 1,230,913,640 yen as against 814,103,196 yen in the corresponding period of 1938, while imports totalled 503,361,182 yen as compared with 427,012,597 yen. Thus Japan's exports to Manchuria, Kwantung Province and China exceeded her imports therefrom by 727,552,458 yen during the 1939 period and by 387,090,599 yen during the 1938 period. Since as stated above the excess of exports over imports in Japan's total trade was 293,149,269 yen, the trade with countries outside the "yen-bloc" showed an excess of imports of 434,403,189 yen for the nine months of 1939 as against an excess of imports of 498,709,408 yen for the corresponding months of 1938.

DISTRIBUTION OF EXPORTS

Countries in Asia, as usual, were the largest consumers of Japanese goods during the first nine months of 1939, the value of exports to such countries being 1,632,759,131 yen as compared with 1,164,778,284 yen for the corresponding period of 1938. Shipments to North America were valued at 407,218,952 yen as against 303,860,851 yen, the United States and Canada purchasing nearly all of these goods. Exports to Europe amounted to 171,197,061 yen, a slight decrease from the value of 179,453,626 yen for the nine months of 1938. Purchases by countries in Africa amounted to 106,776,901 yen as compared with 93,404,194 yen, and shipments to Oceania (mainly to Australia, New Zealand, and Hawaii) were valued at 67,521,253 yen as against 71,746,515 yen. Exports to South America were to the value of 40,213,501 yen and to Central America 28,182,851 yen.

The values of the exports to the twelve principal purchasers of Japanese goods during the first nine months of 1939 were as follows: Kwantung Province, 542,147,639; United States, 395,801,265; Manchuria, 367,261,483; China, 321,504,518; British India, 149,050,397; Netherlands Indies, 89,408,361; Great Britain, 87,485,139; Australia, 50,124,987; South Africa, 30,102,650; Germany, 24,415,233; Hongkong 22,869,649; Thailand, 19,088,132 yen. Increases were shown in export to all of these countries except Great Britain, Australia and Thailand. The largest increases were: Manchuria 63·3 per cent; China, 54·5; Kwantung Province, 42·2; United States, 34·9 per cent.

EXPORTS BY COMMODITIES

Tissues and manufactures thereof, as usual, formed the principal group of exports. A feature of the trade in tissues was a sharp drop in the sales of cotton and woollen goods to the "yen-bloc" countries of Manchuria, Kwantung Province and China. This decline is to be credited to the system of linking imports of raw cotton and wool to the exports of textiles made therefrom. This linking system does not apply to exports to the countries named, being limited in its operation to those countries in which sales will result in the acquisition of foreign exchange.

Exports of raw silk during the first nine months of 1939 amounted to 36,821,136 pounds valued at 318,423,956 yen as compared with 45,568,480 pounds to the value of 250,909,713 yen for the corresponding period of 1938, thus reflecting the increased price of raw silk. The United States was by far the largest customer followed by Great Britain, France, and other countries.

No shipments of silk direct to Canada were recorded during the period under review. Shipments of artificial silk increased both in quantity and value, the principal countries of destination being British India, China, and Mexico.

A sharp increase took place in the value of the exports of machinery and parts thereof, shipments being valued at 161,861,144 yen as against 100,544,211 yen for the corresponding period of 1938. The outstanding feature of this trade is the expansion in exports to Manchukuo, Kwantung Province and China. Comestibles in tins or bottles continued to be exported in increasing quantities, the value of the trade during the nine months ended September 30, 1939, being 84,050,421 yen as compared with 63,455,686 yen during the corresponding nine months of 1938. Included in this classification were canned meat, crabs, salmon, tuna, sardines, other fish, vegetables, and fruits. The largest purchaser was Great Britain, followed by the United States, Kwantung Province, Manchuria and China. It is of interest to observe that the exports of canned salmon decreased in quantity and value, the former being 52,792,740 pounds (66,217,800 pounds) and the latter 19,690,247 yen (24,229,891 yen).

IMPORTS BY COUNTRIES

Of the total imports into Japan proper valued at 2,160,720,381 yen, imports from Asiatic countries accounted for 865,479,096 yen (754,747,080 yen in 1938).

Imports from North America were valued at 819,742,014 yen as compared with 739,741,893 yen. Purchases from European countries were worth 255,244,737 yen (300,336,426 yen) and the imports from South America were valued at 77,341,231 yen (60,324,355 yen). Countries in Oceania ((principally Australia) were credited with 71,343,091 yen (82,380,955 yen) and purchases from Africa were to the value of 69,446,277 yen (46,807,174 yen). Central American countries shared in the import trade to the extent of 2,123,935 yen (6,170,274 yen).

The following table shows the values of the imports from the twenty largest suppliers during the first nine months of 1939 with corresponding figures for the 1938 period included for comparison:—

Japan's Imports from Principal Countries

	Jan.-Sept., 1939 Yen	Jan.-Sept., 1938 Yen
United States	(1) 724,475,721	(1) 674,193,394
Manchuria	(2) 301,107,409	(2) 257,284,629
China	(3) 157,168,174	(5) 123,540,345
British India	(4) 134,643,345	(4) 125,732,800
Germany	(5) 123,144,904	(3) 142,693,303
Canada	(6) 95,257,155	(8) 65,544,000
Australia	(7) 59,917,920	(7) 68,754,186
Netherlands India	(8) 57,318,450	(6) 69,027,101
British Malaya	(9) 46,523,085	(14) 26,669,768
Brazil	(10) 46,109,592	(12) 27,857,214
Kwantung Province	(11) 45,085,597	(10) 46,187,623
Egypt	(12) 36,513,382	(13) 26,975,310
Philippine Islands	(13) 36,472,951	(15) 24,037,467
Straits Settlements	(14) 33,302,560	(11) 38,445,095
Great Britain	(15) 20,879,202	(9) 56,001,687
Sweden	(16) 19,232,873	(16) 19,353,294
Norway	(17) 18,657,371	(21) 11,244,640
French Indo-China	(18) 16,843,703	(18) 13,826,450
Kenya, Uganda and Tanganyika	(19) 15,692,825	(31) 4,122,698
Switzerland	(20) 13,602,549	(19) 13,797,523

It will be noted that imports from twelve of the twenty countries increased in value as compared with the corresponding nine months of 1938; also that the imports were largely from primary producing countries, the United States coming into this category by reason of the fact that raw cotton and petroleum products are important items in Japan's trade with that country.

IMPORTS BY CLASSES

The imports of commodities classed as "raw materials" during the first nine months of 1939 were valued at 1,017,922,000 yen as compared with 955,919,000 yen. Purchases of "manufactures for further use in manufacturing" amounted to 639,507,000 yen as against 520,581,000 yen. "Articles wholly manufactured" were imported to the value of 311,377,000 yen as compared with 348,011,000 yen. The imports of "food, drink and tobacco, in a natural state" amounted to 139,797,000 yen, while such articles partly or wholly prepared were valued at 173,954,000 yen. The remainder of the imports were classed as miscellaneous or re-imports.

IMPORTS BY COMMODITIES

It is not possible to make a full analysis of the import trade by commodities since the import statistics do not now include details of the purchases of many of the most important items, including metals.

Imports of ores and metals during the nine months under review totalled 616,424,138 yen as compared with 478,279,469 yen during the corresponding period of 1938 and with 664,557,779 yen for the first nine months of 1937. No details are available of the quantities or values of the various kinds of ores and metals imported nor of the quantities purchased from various countries.

Yarns, threads, twines, cordages and materials constituted the second largest group of imports, the value of these being 434,678,654 yen as against 427,944,110 yen and 1,134,157,204 yen for the first nine months of 1938 and 1937 respectively. By far the most important item included in this group was ginned cotton valued at 331,033,585 yen as compared with 323,402,968 yen and 797,123,615 yen for the corresponding periods of the two preceding years. The imports of sheep's wool were valued at 61,836,610 yen as against 79,182,842 yen and 286,554,186 yen. Vegetable fibres (other than cotton) were purchased to the extent of 26,877,718 yen (17,419,665 yen).

Imports under the heading of clocks, watches, scientific instruments, fire-arms, vehicles, vessels, and machinery were valued at 231,887,651 yen as against 248,069,656 yen for the first nine months of 1938. Of these imports machines and machinery accounted for 198,877,640 yen (181,591,655 yen). Oils, fats, waxes and manufactures thereof were imported to the value of 196,085,542 yen as compared with 231,514,828 yen and 208,993,237 yen for the nine months of 1938 and 1937 respectively. There is little information available as to the quantities of the various kinds of oil which were imported, the item of "other" oils, fats, waxes and manufactures having accounted for 97.1 per cent of the total. The principal commodities included are, of course, petroleum and its products.

Imports of grains, flours, starches, etc., during the first nine months of 1939 amounted in value to 160,924,407 yen as against 133,561,291 yen and 161,606,440 yen for the corresponding periods of 1938 and 1937. This trade was above normal due to the larger imports of beans and peas, particularly soya and other beans. Purchases of wheat were to the value of 3,156,676 yen as compared with 8,469,400 yen and 21,738,531 yen for the similar periods of 1938 and 1939. The trade in wheat has thus been severely curtailed despite the fact that the prices of Japanese wheat are much higher than those for foreign wheat. China, Australia, and Iraq supplied most of the imports in the period under review, Canada's share being only 99 yen. Similarly, imports of flours, meals, and starches were on a much reduced level, the value being 127,794 yen as against 227,596 yen and 2,315,574 yen. The most important item in this group was wheat flour to the value of 98,974 yen (102,679 yen and 1,933,056 yen for the nine months of 1938 and 1937 respectively). No official statistics covering the sources of supply of this flour are available, but it is known

that most came from Canada and was used for the production of goods for export, none having been used for domestic consumption in Japan.

Drugs, chemicals, medicines, and explosives were imported to the value of 126,289,655 yen as compared with 137,634,456 yen and 209,989,580 yen for the 1938 and 1937 periods. The principal items included in this classification were gum and gum resins (largely crude india-rubber and gutta-percha), crude sulphate of potash, crude chloride of potash, tanning extracts, and crude sulphate of ammonia.

The imports of minerals and manufactures thereof amounted to 112,247,820 yen as compared with 88,707,191 yen and 93,928,483 yen for the corresponding months of the two preceding years. Asbestos and manufactures thereof were imported to the value of 6,372,174 yen (6,604,923 yen), a large proportion of which came from Canada.

Papers, paper manufactures, books, and pictures were purchased to the extent of 45,405,816 yen as compared with 43,420,986 yen and 98,931,973 yen for the corresponding periods of 1938 and 1937. The largest item in the 1939 trade was pulp for artificial silk to the value of 36,407,264 yen (32,140,547 yen and 52,642,837 yen in the 1938 and 1937 periods), followed by pulp for paper-making valued at 5,826,979 yen (6,354,185 yen and 28,505,108 yen). Printing paper dropped to the low level of 8,109 yen as compared with 715,367 yen for the 1938 period and 6,659,135 yen for that of 1937. Canada had no share in the latter trade in 1939, most of the paper being supplied by Germany and the United States.

Beverages, comestibles and tobacco were imported to the value of 36,614,466 yen as against 40,062,977 yen and 62,118,070 yen. The largest item was salt to the value of 29,570,446 yen (23,386,862 yen). Fresh beef was purchased to the extent of 3,434,765 yen (3,027,982 yen), a large proportion of which came from China and none from Canada. The imports of dyes, pigments, coatings and filling matters were valued at 7,572,938 yen (7,081,498 yen), the principal items being synthetic colours, carbon black, and lacquer.

Under the heading of miscellaneous articles were imports of wood valued at 23,755,698 yen (20,602,954 yen), fodder worth 11,646,353 yen (7,523,674 yen), and wheat bran to the value of 7,952,252 yen (6,612,105 yen). Canada's share of the imports of "wood" amounted to 3,550,151 yen as compared with 2,519,738 yen in the corresponding period of 1938.

TRADE WITH CANADA

During the nine months ended September 30, 1939, Japan's exports to Canada were valued at 11,400,572 yen as compared with 10,539,792 yen during the corresponding nine months of 1938 and 14,808,208 for the first three quarters of 1937. Imports from Canada into Japan were to the value of 95,257,155 yen as against 65,544,000 yen and 77,768,070 yen for the corresponding months of 1938 and 1937 respectively. Thus exports from Japan to Canada were 8.2 per cent higher in the 1939 than in the 1938 period, while imports into Japan from Canada were 45.3 per cent greater than in the corresponding period of 1938.

EXPORTS TO CANADA

Although the official statistics covering the exports from Japan show no direct shipments of raw silk to Canada, this is still the most important item of Japanese origin which Canada purchases, the trade being done through the United States. The statistics compiled by the Dominion Bureau of Statistics show that during the nine months concerned Canada's purchases in the United States of "silk cocoons, raw silk, not more advanced than singles, not to include material wholly or partly degummed" amounted to 1,685,397 pounds

valued at \$4,102,421. Corresponding figures for the nine months ended September 30, 1938 were 1,738,199 pounds to the value of \$2,979,476. Most of this silk purchased in the United States was undoubtedly of Japanese origin.

Pottery was the principal item of direct export to Canada, the value for the period under review being 884,923 yen as compared with 847,463 yen for the nine months of 1938.

Shipments of tea to Canada showed considerable expansion to the value of 767,180 yen for the nine months as against 398,002 yen for the first three quarters of 1938. The value for the corresponding period of 1937 was 925,658 yen.

The trade in toys dropped to 592,952 yen as compared with 1,027,469 yen and 1,264,241 yen for the corresponding months of 1938 and 1937.

Artificial silk tissues to the value of 590,554 yen were exported to Canada as compared with 685,359 yen for the 1938 period. Pure silk tissues were valued at 145,921 yen as against 127,839 yen, while silk handkerchiefs were exported to Canada to the value of 118,655 yen as compared with 78,940 yen.

The trade in buttons has shown some expansion, the value of exports to Canada in the nine months of 1939 being 140,765 yen as against 108,707 yen for the 1938 period and 69,647 yen for the corresponding months of 1937.

Shipments of rice and paddy during the period under review amounted to 370,384 yen while those in the 1938 and 1937 periods were valued at 512,917 yen and 503,019 yen respectively. Exports of beans and peas to Canada were to the value of 23,615 yen as against 24,713 yen and 37,198 yen in the corresponding months of 1938 and 1937.

Canada took lamps and parts thereof to the value of 298,489 yen as against 217,108 yen in the 1938 and 509,317 yen in the 1937 periods.

The only other recorded items of export to Canada during the nine months ended September 30, 1939 were menthol crystals valued at 104,734 yen (35,754 yen) and brushes to the value of 75,457 yen (99,123 yen).

IMPORTS FROM CANADA

The curtailed statistics issued in Japan prevent any thorough analysis of purchases from Canada in comparison with similar purchases in other countries. In order to follow the trend of Canadian trade it is necessary to use the figures of Canadian exports as issued by the Dominion Bureau of Statistics for such important commodities as nickel, aluminium, lead, copper, etc. The Canadian statistics show the sales to Japan of these metals and minerals during the nine months ended September 30, 1939, to have been as follows, comparative figures for the 1938 period being shown within parentheses: Nickel, \$7,111,104 (\$3,288,733); lead \$1,733,677 (\$435,410); aluminium \$6,725,644 (\$2,984,792); zinc, \$1,266,847 (\$619,618); and copper, \$1,993,124 (\$1,567,694).

The imports of wood, including sawn lumber, logs and other products, originating in Canada were valued at 3,550,151 yen as against 2,519,738 yen for the first nine months of 1938. Although there was some expansion in this trade it was still below the level of 9,476,202 yen in the corresponding period of 1937. Purchases of wood from the United States were valued at 6,719,073 yen as compared with 8,531,388 yen and 23,735,658 yen in the corresponding periods of 1938 and 1937 respectively. The largest supplier during the nine months of 1939 was the Philippine Islands, while Netherlands India and British Borneo also shipped fairly large quantities.

Purchases of cellulose pulp from Canada showed a sharp reduction, their value being 1,592,715 yen as against 5,045,817 yen and 8,251,838 yen in the corresponding periods of 1938 and 1937. Canada's trade in pulp was affected by the reduced imports of pulp for paper-making. As Canada had been a relatively minor supplier of pulp for rayon-making she secured only a small share of the trade when a quota system was introduced. Canada, however, has secured additional orders and it is anticipated that her share of the trade will

expand. The United States is the largest supplier of pulp, Norway, Finland and Sweden also shipping considerable quantities. Manchukuo is now also an important factor in the market as the result at the attempts being made to attain self-sufficiency in the "yen bloc."

During the nine months the imports of Canadian wheat amounted only to 99 yen. In the corresponding period of 1938 there were no imports from Canada, while in the nine months of 1937 they were valued at 5,528,470 yen. The suppliers of the wheat imports during the first three quarters of 1939 were China, Australia and "other" countries, principally Iraq. The control measures in force have prevented larger importations of wheat, Canadian prices being considerably below those ruling for domestic wheat.

SUMMARY OF JAPAN'S TRADE WITH CANADA

Following is a summary of Japan's total trade with Canada for the nine months ended September 30, 1938 and 1937:—

	Jan.-Sept., 1939 Yen	Jan.-Sept., 1938 Yen	Increase Per Cent
Imports from Canada.. . . .	95,257,155	65,544,000	45.3
Exports to Canada	11,400,572	10,539,792	8.2
Total trade	106,657,727	76,083,792	40.2
Excess of imports	83,856,583	55,004,208	52.4

OUTLOOK FOR CANADIAN SALES

Rigid exchange and trade control measures continue to be enforced in Japan and there is no immediate prospect of any change in this situation; in fact any tendency is to strengthen still further the control over the economy of the nation. Virtually only those commodities which are urgently required, and particularly those which are needed for armaments or for the production of goods for exports, are being imported. As has been indicated above, the sources of supply of Japan's imports shows the preponderance of raw materials which are being purchased. As Canada is a prominent supplier of raw materials, imports from Canada have increased considerably. So far as Japanese demand is concerned, there appears to be no reason why Canadian trade should not remain on a high level or even expand. Further opportunities are presented as a result of the interruption of the sources of supply of a number of important commodities, particularly pulp, by the hostilities in Europe. Canada's participation in the war, however, may affect her ability to cater to the increased demand which has arisen.

TARIFF CHANGES AND TRADE REGULATIONS

United Kingdom

PREFERENTIAL TARIFF REGULATIONS RESPECTING BILLS OF LADING, CONSULAR VISA, AND MOTOR TRUCK SHIPMENTS

On account of inquiries received from time to time respecting admissibility to preference in the United Kingdom of Canadian goods routed via New York or other foreign port, attention is drawn to paragraphs 14 and 15 of Notice 27A of the London Custom House, and recent rulings obtained regarding visas, bills of lading, and shipments leaving Canada by motor truck:—

14. *Consignment.*—The importer should be prepared to substantiate the declaration on the entry that the goods were consigned from the British Empire by the production of the bill of lading, supplier's invoice, buyer's order, or in any other way if called upon to do so by the Customs Officers.

15. *Transhipped goods.*—Where Empire goods consigned to the United Kingdom have been transhipped en route or have been shipped from a foreign port after overland transit from the Empire country of origin, the importer at the time of making entry will be

required to produce the through bill of lading or consignment note from the country of production to the United Kingdom. Where a through bill of lading or consignment note is not available, the buyer's order, the invoice, local bill of lading or consignment note from the original point of origin, and a certificate of arrival or landing at, and exportation from, the port of transshipment will be required. Such certificates are to be signed by the proper Colonial or foreign Customs Officer at the port of transshipment, and in the case of the latter the signature must be visaed by the British Consular authority. It is essential to prove that the goods were consigned from the Empire to the United Kingdom and not to a foreign country from which they were subsequently re-consigned to the United Kingdom. The condition as to consignment from the Empire is not fulfilled in the case of goods consigned from a foreign country through the Empire to the United Kingdom.

Respecting procedure where the original local or land bill of lading is surrendered to obtain the ocean bill of lading, the United Kingdom Customs advise that when the original land bill of lading is not available for production at the port of importation, a certified copy is acceptable. While the certificate of arrival at and exportation from the United States port, given by the United States Customs, should be visaed by the British Consular authority, it is pointed out that the other documents set out in paragraph 15 quoted above need not be so visaed.

With reference to goods conveyed by motor truck from Canada to the United States for shipment to the United Kingdom, the Customs authorities in London advise that the land bill of lading will be accepted as the local bill of lading or consignment note referred to in paragraph 15. It was stated that as it will not be possible to produce a through bill of lading, in such cases the additional evidence referred to in paragraph 15, e.g., buyer's order, invoice and certificate of arrival at and exportation from the port of transshipment, will still need to be produced.

ALUMINIUM PRODUCTS SUBJECT TO IMPORT LICENSING

Mr. Frederic Hudd, Chief Canadian Trade Commissioner in the United Kingdom, in a cablegram of January 26 advises that the British Board of Trade announces that at the request of the Ministry of Supply they have made an order prohibiting, except under licence, imports into the United Kingdom of a wide variety of products of aluminium and alloys thereof containing more than 50 per cent by weight of aluminium. The cablegram states that the order, the object of which is to regulate supplies, is effective February 1, but goods despatched before that date will not require licence.

A further announcement will be made when details of the products affected are received.

Australia

IMPORT LICENSING CONDITIONS EXTENDED TO MARCH 31

With reference to the Australian import licensing system outlined in the last issue of the *Commercial Intelligence Journal* (No. 1878), under which certain categories of goods were licensed for importation from non-sterling countries during December and January on the basis of previous imports, Mr. L. M. Cosgrave, Canadian Trade Commissioner in Melbourne, has cabled that it was announced on January 27 that for the second licensing period, February 1 to March 31, similar conditions would apply as regards categories A, B and C and that there was no change in the prohibited category D.

The conditions of the first licensing period (December 1 to January 31), briefly stated, were that goods included in categories A, B, and C of the licensing schedule might be admitted from non-sterling countries (including Canada) up to one-sixth of the value of the same goods imported by the same importer from non-sterling countries during the year ended June 30, 1939. The cablegram above referred to intimates that licences will be issued for a similar value of goods, under like restrictions, during the months of February and March. Lists of the principal articles formerly exported from Canada to Australia in the different categories will be found in the *Commercial Intelligence Journal* of January 20 (page 105) and of January 27 (page 113).

ADMISSION OF CATEGORY D GOODS ON ORDER DECEMBER 1

The conditions under which category D (prohibited) goods that were on order on December 1, 1939, may be admitted to Australia were reviewed in *Commercial Intelligence Journal* No. 1875 (January 6, 1940) page 35. The last permitted date for arrival of such goods in Australia was then stated to be March 31, 1940.

The Canadian Trade Commissioner in Sydney has now cabled that licences will be issued for the admission of all category D goods ordered and orders accepted prior to December 1, provided that importations are effected not later than April 30 and that quantities are normal. Amounts of foreign exchange required by individual importers will be debited against the value of their permissible imports under one or more tariff items included in categories A, B, or C. If the importer has no A, B, or C quotas to deduct from, licences will not be issued.

MINOR RELAXATIONS IN IMPORT RESTRICTIONS

Mr. R. P. Bower, Assistant Trade Commissioner at Sydney, writes under date January 4, 1940, that an indication that the import control regulations now in force in Australia will be modified under certain circumstances is provided by recent Customs orders which relax the restrictions in the case of certain commodities.

One Order provides that licences may be issued during the current licensing period for the importation from non-sterling countries of abrasive papers and abrasive cloths in category "A" on the basis of importations by individual importers from the United Kingdom during the year ended June 30, 1939. This description covers abrasive cloths, irrespective of size or shape, and abrasive papers other than glass paper and flint paper.

This relaxation became necessary when local industries using such abrasives were able to prove that the United Kingdom could not make deliveries and that domestic production was thereby prejudiced. Import statistics reveal that for the year ended June 30, 1939, the United Kingdom supplied sand, glass and emery paper and cloth valued at £67,714 sterling, out of total imports valued at £86,075. Canada with £11,955 was the only other supplier of importance. It is apparent, therefore, that if the United Kingdom cannot deliver and other shippers are prevented from supplying more than they did last year, a shortage must develop. It is also apparent that if Canadian manufacturers can cope with the demand, they should obtain the bulk of this business.

Another Order provides that licences will be granted for the importation of bichromates of potash and soda as and when required, irrespective of quantity, value, origin or the relationship to the applicant's importations during the base year.

A further Order provides that in cases where orders have been placed and accepted by overseas suppliers prior to December 1, 1939, for cotton and artificial silk piece-goods classified in categories "A", "B" and "C", and the general condition requiring importation not later than April 30 cannot be complied with, licences may be conditioned to require exportation from the country of origin not later than June 30, 1940, and importation into Australia not later than September 30, 1940.

DEFERRED DUTIES

Further deferments of increased duties under three headings of the Australian Customs tariff are announced.

Deferred duties under Item 136F2, covering "iron and steel hoop, not elsewhere included in the tariff" that were to have gone into effect on January 1, 1940, have been further deferred until October 1, 1940. At present this commodity is free of duty under the British preferential tariff and dutiable at 15 per cent ad valorem under the general tariff. Deferred rates are: 10 per cent ad valorem under the British preferential tariff, 22½ per cent ad valorem plus 70s. per ton (2,240 pounds) under the general tariff, both rates to increase as present Australian exchange depreciation may be lessened.

(Duties at the above-quoted *deferred* rates are already in effect as regards "iron and steel hoop, including galvanized, 12 gauge (Birmingham sheet gauge) and thicker," and also "bright cold rolled hoop from $\frac{3}{8}$ inch to 6 inches in width, both sizes inclusive, and from 0.0148 inch to 0.08 inch in thickness, both sizes inclusive.")

Deferred duties under Item 147, "iron and steel plates and sheets, plain tinned," that were to have gone into effect on January 1, 1940, have been further deferred until January 1, 1941. Present rates are: free of duty under the British preferential tariff, 15 per cent ad valorem under the general tariff. Deferred rates are 76s. per ton under the British preferential tariff, and 115s. per ton under the general tariff.

Deferred duties under Item 186, on "screw hooks, eyes, and rings," have been further deferred from January 1, 1940, to July 1, 1940. Present rates are: free of duty under British preferential tariff, 15 per cent ad valorem under general tariff. Deferred rates are: free of duty and 26 $\frac{1}{4}$ per cent ad valorem respectively; duties to be imposed or increased as present Australian exchange depreciation may be lessened.

Under all the above-named items the British preferential tariff is applicable to Canada and the general tariff to all countries outside the British Empire.

Grenada

IMPORT LICENSING EXTENDED TO WHOLE EMPIRE

An order of the Competent Authority of Grenada, effective January 10, 1940, cancels the general import licence gazetted November 18, 1939, permitting the importation into Grenada of goods from the United Kingdom and British dependencies and Dominions, other than Canada and Newfoundland. (See *Commercial Intelligence Journal* No. 1876: January 13, 1940, page 75).

The order states that special application for licence will consequently be necessary for all importations into the Colony.

Leeward Islands

CHANGES IN IMPORT LICENSING SYSTEM

The Leeward Islands *Gazette* of January 16, 1940, announced that, effective February 1, the importation of all goods into the Leeward Islands (includes Antigua, St. Kitts-Nevis, Montserrat and Virgin Islands) is prohibited except under licence. Formerly a licence was only required from British Empire countries not on a sterling basis, including Canada, and from foreign countries.

Announcement of the previous Leeward Islands import restrictions was published in *Commercial Intelligence Journal* No. 1863 (October 14, 1939), page 711.

British Guiana

LICENSING OF IMPORTS EXTENDED TO WHOLE EMPIRE

With reference to the announcement in *Commercial Intelligence Journal* No. 1869 (November 25, 1939), page 998, that import licences were required for the importation of all goods from Canada, Newfoundland, Hongkong, the Sudan and all foreign countries, a British Guiana Order of January 13 prohibits the importation of all goods except under licence issued by the Comptroller of Customs.

The effect of this order is that import licences are now required from all countries of the British Empire as well as from foreign countries.

British Malaya

NEW DUTIES ON LIQUORS AND TOBACCOS

Straits Settlements Notification No. 3737, effective December 1, 1939, increases duties on all intoxicating liquors, and on unmanufactured and manufactured tobaccos. The duty on whisky, rum and gin in bottle and not exceeding 81 per cent of proof spirit is increased from 9.50 Straits dollars (\$4.95) per proof gallon to 12.0 Straits dollars (\$6.25) per proof gallon, and other whisky, rum and gin from 13.0 Straits dollars (\$6.75) to 15.5 Straits dollars (\$8.05) per proof gallon. Cigars and snuff, formerly dutiable at 1.60 Straits dollars (83 cents) per pound to all countries, become dutiable at 2.50 Straits dollars (\$1.30) per pound, British preferential tariff, applicable to Canada, and at 3.00 Straits dollars (\$1.55) per pound under the general tariff. A similar scale of duties was

established in Perlis (Unfederated Malay States), by Notification of December 1, 1939. (The Straits dollar equals 52 cents Canadian at current rate of exchange).

Mr. J. L. Mutter, Canadian Trade Commissioner at Singapore, reports that similar customs amendments have been made effective in the Federated Malay States as of December 1, 1939, and in the Unfederated Malay States of Kedah and Johore as of November 30, 1939.

Federated Malay States

IMPORT PROHIBITIONS AND RESTRICTIONS

With reference to the article in *Commercial Intelligence Journal* No. 1870 (December 2, 1939), page 1057, concerning import prohibitions and restrictions adopted in the Federated Malay States, the Government *Gazette* of November 27 of the Federated Malay States gives details of the goods affected.

The importation into the Federated Malay States otherwise than from (a) any country, territory or place in the British Empire the currency of which is on a sterling basis or (b) Egypt, Anglo-Egyptian Sudan or Iraq, of goods scheduled under 236 items, is absolutely prohibited. The goods in this category include:

Wheat; wheat flour; beef, extracts and essences of meat including soups made from meat; biscuits; butter; chocolate; confectionery (except chocolate confectionery); flavouring essences; jams and jellies; whisky; sawn timber of small dimensions; electrical ware (including insulators), made of porcelain, etc.; sanitary ware, tubes, pipes and fittings of iron; various iron manufactures; copperware; zinc ingots, bars, etc.; forks, rakes, etc.; photographic papers; electric lamps and bulbs, except for automobiles and torches; electric lighting accessories and fittings; electrical instruments, wires and cables; specified electrical machinery; refrigeration (non-electrical); sewing and weighing machines; hosiery, except cotton or artificial silk; outer garments other than cotton or artificial silk; underwear; other apparel; paints and enamels, ready mixed; soap; varnish; paper stationery; bicycles; second-hand motor vehicles; engines for motor cars; golf, tennis or other rubber balls; rubber shoes, soles and heels; polishes; druggists' ware; fancy goods; musical instruments; roofing felt; sporting materials; toys and games.

Another category of goods, comprising 76 items, is conditionally prohibited from the same sources. As regards these goods, importation is restricted to goods for which permit has been issued by the Comptroller of Customs, and subject to such conditions as he may impose. The schedule of goods thus restricted includes: Manufactured cereals; bacon and hams; canned sardines; fresh, dried and preserved fruits; potatoes; tomato juice; vegetable soups; cigars and cigarettes; hollow-ware; corrugated and sheet iron; electric cooking and heating apparatus; machinery; medicines; newsprint; paper manufactures; motor vehicles and parts; tire casings; chemical fertilizers; gramophones and records; perfumery and cosmetics; and wallboards.

Belgium

INCREASE IN SALES TAX

Mr. Yves Lamontagne, Canadian Commercial Attaché at Brussels, reports under date January 8 that a law of December 30, 1939, published in the *Moniteur Belge* of January 4, 1940, increases the rate of the transmission (sales) tax payable on imported goods, as well as on domestic goods sold locally, from 2.75 per cent to 3.50 per cent. This tax is payable on all transactions, so that imported goods, if resold by the importer, will pay this tax at least twice. In the case of certain goods, however, a special rate has been set to cover the original sale or importation as well as all subsequent transactions. This special

rate was fixed for most of the goods affected at 5·50 per cent by a Royal Decree of July 3, 1939, and is now increased to 7 per cent. The luxury taxes payable in lieu of sales tax on goods considered as luxuries remains unchanged at 7·50 per cent or 10 per cent according to the nature of the goods.

All the above taxes, when applied to imported goods, are calculated on the basis of the c.i.f. duty-paid value.

EXCHANGE CONDITIONS IN FOREIGN COUNTRIES

Anglo-Egyptian Sudan

HENRI S. TURCOT, CANADIAN TRADE COMMISSIONER

Cairo, December 27, 1939.—According to the *Sudan Gazette* of December 9, effective as from that date, no person in the Anglo-Egyptian Sudan is permitted to carry out any transaction, whether for cash or on credit, involving the exchange of Egyptian currency or sterling for any other currency. However, the Financial Secretary may give authority for the carrying out of such transactions if he is satisfied that they (a) are required in order to fulfil a contract entered into prior to September 3, 1939, (b) are justified by the normal requirements of trade or industry, or (c) are for the purpose of bona fide personal requirements whether by way of travelling expenses or otherwise. Authorized transactions can be carried out solely through the National Bank of Egypt and Barclays Bank (Dominion, Colonial and Overseas).

It would appear that foreign exchange will continue to be readily available with respect to ordinary commercial transactions.

The Levant States Under French Mandate

Effective December 3 exchange and trade control has been established by decree in the Levant States under French Mandate (Syria, the Lebanon, Latakia, and the Jebel Druse).

All export of capital to foreign countries is prohibited, save with the authorization of the Exchange Office, and permits may be issued only in the following cases: (a) for the payment of imported goods; (b) for remittances in respect of obligations contracted prior to December 3; and (c) for travelling abroad under certain conditions and within certain limitations. The foreign exchange required may be obtained from the banks authorized to deal in foreign exchange (Banque de Syrie et du Liban; Compagnie Algérienne; and Crédit Foncier d'Algérie et de Tunisie).

Transactions with France, the French colonies, African countries under French mandate, and countries under French protectorate are unrestricted, if remittances are made by postal orders or by *virements* effected by one of the authorized banks. The authorized banks may also sell freely cheques in French francs for remittances in France, the French colonies, African countries under French mandate, and countries under French protectorate. In all other cases, a permit from the Exchange Office has to be procured beforehand.

IMPORT CONTROL

Imports from foreign countries are prohibited save under licence; this stipulation does not, however, apply to goods received after December 3 and shipped prior to that date. No licence is to be issued for goods originating in enemy countries. Licences are valid for four months and are not transferable. From the foreign exporter's standpoint, the fact that the importer is in possession of a licence is sufficient proof that he will be granted the foreign exchange required.

Imports from France, the French colonies, African countries under French mandate, and countries under French protectorate are not subject to licences.

FOREIGN EXCHANGE QUOTATIONS: WEEK ENDING JAN. 29, 1940

The Foreign Exchange Division of the Bank of Canada has furnished the following statement of the nominal closing quotations for all the principal exchanges for the week ending Monday, January 29, 1940, and for the week ending Monday, January 22, 1940, with the official bank rate:—

Country	Unit	Present or Former Gold Parity	Nominal Quotations in Montreal Week ending Jan. 22	Nominal Quotations in Montreal Week ending Jan. 29	Official Bank Rate
Belgium	Belga	.1001	\$.1869	\$.1877	2
Bulgaria	Lev	.0072	.....	.....	—
Denmark	Krone	.2680	.2143	.2143	5½
Finland	Markka	.0252	.0203	.0202	4
France	Franc	.0392	.0249	.0250	2
Great Britain	Pound	4.8666	.....	.....	—
	Buying		4.4300	4.4300	2
	Selling		4.4700	4.4700	—
Greece	Drachma	.0130	.0079	.0080	6
Holland	Guilder	.4020	.5899	.5892	3
Hungary	Pengo	.1749	.2942	.2942	4
	Unofficial		.1951	.....	—
Italy	Lira	.0526	.0560	.0560	4½
Yugoslavia	Dinar	.0176	.0251	.0251	5
Norway	Krone	.2680	.2521	.2521	4½
Portugal	Escudo	.0442	.0403	.0403	4-4½
Roumania	Leu	.0060	.0079	.0076	3½
Spain	Peseta	.1930	.1104	.1104	5
Sweden	Krona	.2680	.2643	.2643	3
Switzerland	Franc	.1930	.2489	.2489	1½
United States	Dollar	1.0000	.....	.....	—
	Buying		1.1000	1.1000	1
	Selling		1.1100	1.1100	—
Mexico	Peso	.4985	.1848	.1848	3
Cuba	Peso	1.0000	.....	.....	—
Guadeloupe	Franc	.0392	.0249	.0250	—
Jamaica	Pound	4.8666	4.4800	4.4800	—
Martinique	Franc	.0392	.0249	.0250	—
Other British West Indies	Dollar	1.0138	.9313	.9313	—
Argentina	Peso (Paper)	.4245	.3304	.3304	3½
	Free		.2531	.2526	—
Brazil	Milreis (Paper)	.1196	.0670	.0673	—
	Free		.0558	.0555	—
British Guiana	Dollar	1.0138	.9313	.9313	—
Chile	Peso	.1217	.0574	.0573	3-4½
	Export		.0444	.0444	—
Colombia	Peso	.9733	.6356	.6356	4
Peru	Sol	.2800	.....	.....	—
Venezuela	Bolivar	.1930	.....	.....	—
Uruguay	Peso	1.0342	.....	.....	—
	Controlled		.7307	.7307	—
	Uncontrolled		.4051	.4067	—
South Africa	Pound	4.8666	4.4600	4.4600	3½
Egypt	Pound (100 Piastres)	4.9431	4.5800	4.5800	—
China (Shanghai)	Dollar	.....	.0876	.0858	—
Hongkong	Dollar	.....	.2733	.2751	—
India	Rupee	.3650	.3359	.3359	3
Japan	Yen	.4985	.2602	.2602	3.29
Java	Guilder	.4020	.....	.....	—
Thailand (Siam)	Baht (Tical)	.4424	.4029	.4052	—
Straits Settlements	Dollar	.5678	.5159	.5194	—
Australia	Pound	4.8666	3.5800	3.5800	3
New Zealand	Pound	4.8666	3.5900	3.5900	4

The Dominion Bureau of Statistics has supplied the following note:—

Continued strength in sterling free rates at New York lifted quotations to their highest levels since November 2. At the close of the week ended January 29, the sterling free rate stood at \$3.99½ as compared with \$3.96½ on the 22nd. There was also a moderate rise in sterling forward rates, New York on London, 90-day futures closing at a discount of 3½ cents as compared with 3½ cents a week earlier. Canadian funds, on the other hand, were easier, dropping 7/16 cent to finish at the week's low of 87½ cents. French francs, reflecting sterling strength, closed 2 points higher at 2.51 cents at Montreal. Among the neutrals rates were mixed. Continued pressure on the florin moved quotations 7 points lower to 58.92 cents, while belgas stiffened 8 points to 18.77 cents in the same period. No change occurred in daily buying and selling rates of the Canadian Foreign Exchange Control Board for sterling and United States funds. They remained at \$4.43-\$4.47 and \$1.10-\$1.11 respectively.

TRADE OPPORTUNITIES ABROAD FOR CANADIAN PRODUCTS

The Trade Inquiries for Canadian products published below have been received since the publication of the last issue of the *Commercial Intelligence Journal*. Interested exporters may secure the names and addresses of the firms making these inquiries, together with further details regarding the commodities required, on application to the Director, Commercial Intelligence Branch, Department of Trade and Commerce, Ottawa, or—

Secretary, Board of Trade—

Saint John, N.B.
Halifax, N.S.
Quebec, P.Q.
Montreal, P.Q.
Toronto, Ont.
Chatham, Ont.

Guelph, Ont.
Kitchener, Ont.
Brantford, Ont.
Stratford, Ont.
Woodstock, Ont.
St. Mary's, Ont.

Portage la Prairie, Man.
St. Boniface, Man.
Winnipeg, Man.
Vancouver, B.C.
New Westminster, B.C.

Secretary, Chamber of Commerce—

Sherbrooke, P.Q.
Kingston, Ont.
Oshawa, Ont.
Belleville, Ont.

Peterborough, Ont.
London, Ont.
St. Catharines, Ont.
Hamilton, Ont.

Victoria, B.C.
Prince Rupert, B.C.

Windsor Chamber of Commerce, Windsor, Ont.

Commercial Intelligence Service, Department of Municipal Affairs, Trade and Commerce, Quebec.

Department of Industry, Brantford, Ont.

Industrial Commissioner, Stratford, Ont.

La Chambre de Commerce de Montréal, 25 St. James E., Montreal, P.Q.

Secretary, Canadian Manufacturers Association—

Toronto, Ont.
Montreal, P.Q.

Winnipeg, Man.
Edmonton, Alta.

Vancouver, B.C.
Victoria, B.C.

Director, Bureau of Industrial and Trade Extension, Department of Trade and Industry, Victoria, B.C.

Canadian exporters should, for follow-up purposes, transmit a copy of any reply sent in response to a Trade Inquiry to the Trade Commissioner in the territory from which the inquiry emanated.

Commodity	No.	Location of Inquirer	Purchase or Agency
Foodstuffs—			
Milk, Evaporated and Condensed	60	Belize, British Honduras...	Purchase and Agency.
Miscellaneous—			
Overalls.....	61	Bristol, England.....	Purchase and Agency.
Rubber Footwear.....	62	Dublin, Ireland.....	Purchase.
Milk Cans.....	63	Bristol, England.....	Purchase.
Drinking Straws.....	64	Cardiff, Wales.....	Purchase.
Milk Bottle Discs and Cream Cups.....	65	Cardiff, Wales.....	Purchase.
Milk Bottle Discs.....	66	Bristol, England.....	Purchase.
Wrapping Paper.....	67	Kingston, Jamaica.....	Purchase or Agency.
Paper Bags.....	68	Kingston, Jamaica.....	Purchase or Agency.
Wrapping Paper, Kraft and Sulphite.....	69	Ciudad Trujillo, Dominican Republic.....	Agency.
Kraft Liner Board.....	70	Birmingham, England....	Purchase and Agency.
Folding Box-boards.....	71	Dublin, Ireland.....	Purchase.
Imitation Leather.....	72	Panama City, Panama.....	Purchase and Agency.
Casket Hardware.....	73	Swansea, Wales.....	Purchase.
Primus Stoves.....	74	Melbourne, Australia.....	Purchase and Agency.
Piping and Tubing (Galvanized Iron).....	75	Lima, Peru.....	Agency.
Copper Wire.....	76	Lima, Peru.....	Agency.
Steel Drums.....	77	Buenos Aires, Argentina..	Agency.

COMMERCIAL INTELLIGENCE SERVICE

L. D. WILGRESS, *Director*

Argentina

J. A. STRONG. B. Mitre 430, Buenos Aires (1). (Territory includes Uruguay.) *Cable address, Canadian.*

Australia

Sydney: L. M. COSGRAVE. Address for letters—P.O. Box No. 3952V. Office—City Mutual Life Building, Hunter and Bligh Streets. (Territory includes the Australian Capital Territory, New South Wales, Queensland, Northern Territory and Dependencies.) *Cable address, Canadian.*

Melbourne: FREDERICK PALMER, 83 William Street. Melbourne, C.I. (Territory includes States of Victoria, South Australia, Western Australia, and Tasmania.) *Cable address, Canadian.*

Belgium and Luxemburg

YVES LAMONTAGNE. Commercial Attaché, Shell Building, 60 rue Ravenstein, Brussels. *Cable address, Canadian.*

Brazil

L. S. GLASS. Address for letters—Caixa Postal 2164, Rio de Janeiro. Office—Ed. Da. "A. Noite," Sala 802, Praca Maua. *Cable address, Canadian.*

British India

PAUL SYKES. Address for letters—P.O. Box 2003, Calcutta. Office—23 Esplanade Mansions, Government Place East, Calcutta. (Territory includes Burma and Ceylon.) *Cable address, Canadian.*

British Malaya

J. L. MUTTER, Union Building, Singapore, Straits Settlements. (Territory includes the Straits Settlements, the Federated Malay States, the Unfederated Malay States, Thailand, British Borneo, and Netherlands India.) *Cable address, Canadian.*

British West Indies

Trinidad: M. B. PALMER. Address for letters—P.O. Box 125, Port of Spain. Office—Barclay's Bank Building. (Territory includes Barbados, Windward and Leeward Islands, and British Guiana.) *Cable address, Canadian.*

Jamaica: F. W. FRASER, P.O. Box 225, Kingston. Office—Canadian Bank of Commerce Chambers. (Territory includes the Bahamas and British Honduras.) *Cable address, Canadian.*

China

V. E. DUCLOS. Address for letters—P.O. Box 264, Shanghai. Office—Ewo Building, 27 The Bund, Shanghai. (Territory includes Central China and North China.) *Cable address, Canadian.*

Cuba

C. S. BISSETT. Address for letters—Apartado 1945, Havana. Office—Royal Bank of Canada Building, Calle Aguiar 367, Havana. (Territory includes Haiti, the Dominican Republic, and Puerto Rico.) *Cable address, Canadian.*

Egypt

HENRI TURCOT. Address for letters—P.O. Box 1770, Cairo. Office—22 Shari Kasr el Nil, Cairo. (Territory includes the Sudan, Palestine, Cyprus, Iraq, Syria, Iran, Greece, Turkey, Bulgaria, and Roumania.) *Cable address, Canadian.*

France

HERCULE BARRÉ. Commercial Attaché, 3 rue Scribe, Paris (9). (Territory includes French Colonies in North Africa.) *Cable address, Cancomac.*

Hongkong

P. V. McLANE. Address for letters—P.O. Box 80, Hongkong. Office—Hongkong and Shanghai Bank Building, Hongkong. (Territory includes South China, the Philippines, and Indo-China.) *Cable address, Canadian.*

Ireland

JAMES CORMACK, 66 Upper O'Connell Street, Dublin, Ireland (*cable address, Canadian*); and 36 Victoria Square, Belfast, Northern Ireland.

Italy

A. B. MUDDIMAN, Via Manzoni Nr. 5, Milan (102). (Territory includes Spain, Portugal, Gibraltar, Malta, Albania, and Yugoslavia.) *Cable address, Canadian.*

CANADIAN GOVERNMENT TRADE COMMISSIONERS—*Con.*

Japan

C. M. CROFT, Commercial Secretary. Address for letters—P.O. Box 18, Akasaka Post Office, Tokyo. Office—Canadian Legation, 16 Omotecho, 3-chome, Akasakaku, Tokyo. *Cable address, Canadian.*

Mexico

R. T. YOUNG. Address for letters—Apartado Num. 126-Bis, Mexico City. Office—Edificio Banco de Londres y Mexico, Num. 30, Mexico City. (Territory includes Guatemala, Honduras, and Salvador.) *Cable address, Canadian.*

Netherlands

J. A. LANGLEY, Commercial Attaché. Coolingsingel 111b, Rotterdam. (Territory includes Switzerland.) *Cable address, Canadian.*

New Zealand

W. F. BULL. Address for letters—P.O. Box 33, Auckland. Office—Yorkshire House, Shortland Street, Auckland. (Territory includes Fiji and Western Samoa.) *Cable address, Canadian.*

Norway

RICHARD GREW. Stortingsgaten 28, Oslo. (Territory includes Sweden, Denmark, and Finland.) *Cable address, Canadian.*

Panama

H. W. BRIGHTON. Address for letters—P.O. Box 222, Panama City. Office—98 Central Avenue, Panama City. (Territory includes the Canal Zone, Venezuela, Colombia, Nicaragua, and Costa Rica.) *Cable address, Canadian.*

Peru

M. J. VECHSLER. Address for letters—Casilla 1212, Lima. Office—Edificio Boza, Carabaya 831, Plaza San Martin, Lima. (Territory includes Bolivia, Ecuador, and Chile.) *Cable address, Canadian.*

South Africa

Cape Town: J. C. MACGILLIVRAY. Address for letters—P.O. Box 683. Office—New South African Mutual Buildings, 17 Parliament Street. (Territory includes Cape Province and Southwest Africa, Natal, Tanganyika, Kenya, Uganda, Mauritius, and Madagascar.) *Cable address, Cantracom.*

Johannesburg: J. H. ENGLISH. Address for letters—P.O. Box 715. Office—Prudential Assurance Building, 92 Fox Street. (Territory includes Transvaal, Orange Free State, the Rhodesias, Portuguese East Africa, Mozambique, and Nyasaland.) *Cable address, Cantracom.*

United Kingdom

London: FREDERIC HUDD, Chief Trade Commissioner in the United Kingdom, Canada House, Trafalgar Square, S.W. 1. *Cable address, Sleighing, London.*

London: H. A. SCOTT, Trade Commissioner, Canada House, Trafalgar Square, S.W. 1. *Cable address, Sleighing, London.*

London: G. R. HEASMAN, Trade Commissioner, Canada House, Trafalgar Square, S.W. 1. (Territory includes Home Counties, Southeastern Counties, and East Anglia; also British West Africa.) *Cable address, Sleighing, London.*

London: W. B. GORNALL, Fruit Trade Commissioner, Aldine House, Bedford Street, Strand, W.C. 2. *Cable address, Canfrucum.* (Territory—for fresh fruit only—includes United Kingdom, Norway, Denmark, Sweden, France, Holland, Belgium, and Germany.)

London: ACTING ANIMAL PRODUCTS TRADE COMMISSIONER, Canada House, Trafalgar Square, S.W. 1. *Cable address, Agrilcon.*

Liverpool: A. E. BRYAN, Martins Bank Building, Water Street. (Territory includes North of England, Lincolnshire, North Midlands, and North Wales.) *Cable address, Canadian.*

Bristol: E. L. MCCOLL, Northcliffe House, Colston Avenue. (Territory includes West of England, South Wales, and South Midlands.) *Cable address, Canadian.*

Glasgow: G. B. JOHNSON, 200 St. Vincent Street. (Territory covers Scotland.) *Cable address, Cantracom.*

United States

New York City: D. S. COLE, British Empire Building, Rockefeller Center. (Territory includes Bermuda.) *Cable address, Cantracom.*

Chicago: W. J. RIDDIFORD, Tribune Tower, 435 North Michigan Avenue. *Cable address, Canadian.*

Los Angeles: B. C. BUTLER, Associated Realty Building, 510 West Sixth Street. *Cable address, Canadian.*

Note.—Bentley's Second Phrase Code is used by Canadian Trade Commissioners.

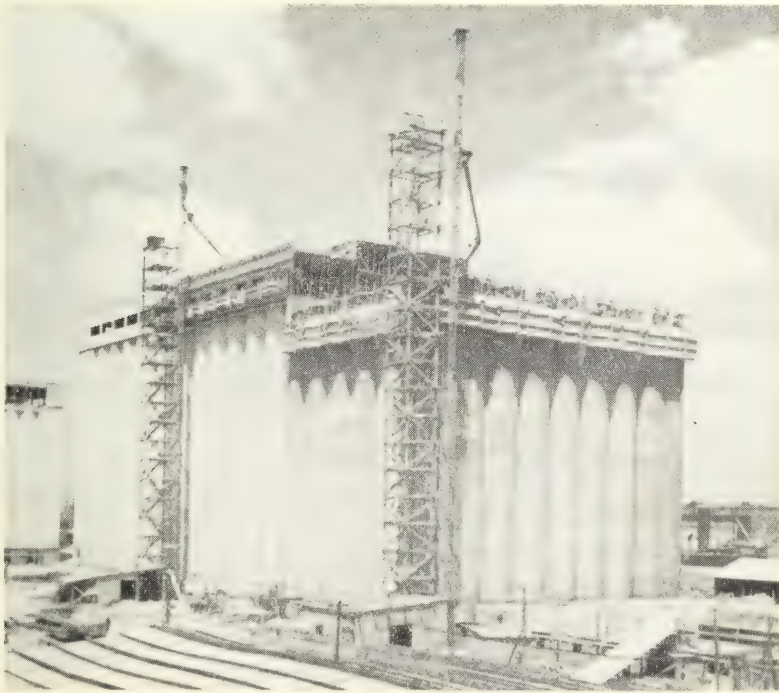
1502
on
T

COMMERCIAL INTELLIGENCE JOURNAL

Vol. LXII

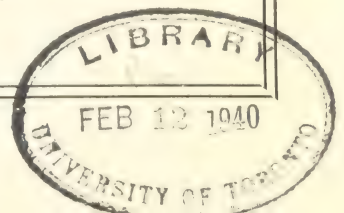
Ottawa, February 10, 1940

No. 1880



Terminal Elevator under construction at Buenos Aires, Argentina

ISSUED BY AUTHORITY OF
THE HON. W. D. EULER, MINISTER OF TRADE AND COMMERCE
JAMES G. PARMELEE, DEPUTY MINISTER



CONTENTS

	Page
Index to the "Commercial Intelligence Journal"	201
Jamaica's Trade with Germany, German-controlled and other European Countries	201
Current Market Conditions for Dry Peas and Beans in the United Kingdom	204
Market Conditions for Oysters in the United Kingdom	205
Control of Australian Hide Trade	206
Southern Rhodesia's Trade with Germany	207
Germany's Trade with Argentina	208
Summary of the Trade of Canada: December	219
Germany's Position in the Trade of Nicaragua	220
Effects of the War on the Import Trade of the Levant States under French Mandate	221
Tariff Changes and Trade Regulations	221
Exchange Conditions in Foreign Countries:	
Mexico, Peru, Chile	225
Foreign Exchange Quotations	229
Trade Inquiries for Canadian Products	230
Commercial Intelligence Service	231

COMMERCIAL INTELLIGENCE JOURNAL

Issued Every Saturday by the Department of Trade and Commerce

PUBLISHED in English and French. Subscription Price for either edition: \$1 per annum in Canada (single copies 5 cents each); \$3.50 outside the Dominion (single copies 10 cents each). Remittances, which may be made by Post Office or Express Orders, or Drafts, or Cheques, payable at par in Ottawa, should be addressed to the King's Printer, Government Printing Bureau, Ottawa.

Vol. LXII Ottawa, February 10, 1940 No. 1880

INDEX TO THE "COMMERCIAL INTELLIGENCE JOURNAL"

The Index to the *Commercial Intelligence Journal* for the six months ended December 31, 1939 (Nos. 1848 to 1874 inclusive), is now in the hands of the printer and will be sent out shortly to subscribers. Canadian manufacturers and exporters are strongly advised to file all numbers of the *Commercial Intelligence Journal* for future reference, and to preserve them, with the Index, in bound volumes, or in some other convenient form. Back numbers of the Index, as well as additional copies, may be had free of charge on application to the Department of Trade and Commerce, Ottawa.

JAMAICA'S TRADE WITH GERMANY, GERMAN-CONTROLLED AND OTHER EUROPEAN COUNTRIES

F. W. FRASER, CANADIAN TRADE COMMISSIONER

Kingston, January 20, 1940.—Imports from Germany into Jamaica have increased steadily during recent years from £80,186 in 1934 to £183,633 in 1938. During the same period exports of Jamaican products to Germany rose from £35,139 to £207,124. Increases in Jamaica's imports from Germany were also recorded during the first nine months of 1939, amounting to £154,870 as compared with £129,445 during the corresponding period of 1938. Germany's imports from Jamaica in the same period, however, registered a substantial decline from £139,052 to £95,320.

Imports of German goods in 1938 in Class I of the Jamaican customs classification, i.e., food, drink and tobacco, were of little importance, consisting chiefly of beer and ale (£700), hops (£924), rock salt (£925), and wines (£526). In Class II, raw materials and articles mainly unmanufactured, the only item appearing in the trade returns is temper lime valued at £885. It is in Class III goods, articles wholly or mainly manufactured, that Germany has enjoyed the bulk of her trade with Jamaica.

PRINCIPAL IMPORTS FROM GERMANY

The values of the main items imported from Germany during the calendar year 1938, with the values of total imports of each, are shown in the following table:—

Principal Imports into Jamaica from Germany in 1938

	Total Imports	From Germany
Beer, ale, stout and porter	£20,782	£ 700
Hops	1,934	924
Rock salt	1,030	925
Temper lime	3,281	885

Principal Imports into Jamaica from Germany in 1938—Concluded

	Total Imports	From Germany
Bags, travelling and tool	£ 7,928	£ 1,243
Brooms and brushes	5,587	329
Bicycles and tricycles and parts thereof	28,889	3,561
Motor cars and trucks and parts thereof	285,423	11,611
Cement, Portland	88,150	11,597
Insecticides and vermin killers	25,206	5,642
Chinaware, porcelain, earthenware and pottery	21,960	5,115
Clay manufactures	1,148	570
Clocks	2,627	1,490
Cotton piece-goods	387,790	1,741
Cutlery	5,482	1,537
Glass and glassware: Glass bottles, glass lamps, lamp chimneys, and table glassware	51,584	29,853
Haberdashery and millinery	24,684	2,054
Hardware and ironmongery (other than cash registers, typewriters, casket hardware, office cabinets, hardware and other store furniture of iron and other metals)	161,153	23,630
Implements and tools, agricultural	53,232	1,703
Implements and tools, artisan's	20,486	1,007
Machinery, agricultural, sugar	233,665	2,209
Machinery, agricultural, other kinds, not specified	22,900	1,769
Machinery, industrial and manufacturing:		
Sewing machines	27,006	9,982
Shoemaking	423	421
Other kinds	30,885	1,763
Manures, chemical	58,347	4,417
Medicines and drugs	85,795	2,621
Iron and steel manufactures:		
Railway materials	30,307	773
Galvanized iron roofing	37,843	1,437
Nails, screws and rivets	14,592	1,977
Piping	44,492	276
Nails and staples for fencing	1,641	841
Wire for fencing	9,210	3,079
Wire netting	7,432	3,030
Wire, other kinds	6,800	533
Metal containers for domestic produce	12,569	1,718
Paper, other than printing and writing	77,123	5,264
Perfumery	44,280	1,279
Photographic apparatus and chemicals	6,079	910
Plate and plated ware	2,748	409
Silk, artificial silk piece-goods	111,722	3,919
Silk manufactures, other than hosiery	7,074	466
Slates and pencils	1,790	1,537
Toys and games	14,564	2,749
Wooden furniture	19,634	2,260
Staves and headings for honey	1,377	943
Staves and headings for rum	71,621	3,247
Wood manufactures, unspecified	14,030	1,099

NOTES ON COMMODITIES OF INTEREST TO CANADA

Following are notes on commodities of interest to Canada that have been imported from Germany:—

Bags, Travelling and Tool.—This item consists of trunks and suitcases, chiefly the latter. The bulk of the suitcases are of cheap fibre or pressed paper, packed nested in lots of four or six. The United Kingdom is the largest supplier but in 1938 Germany shipped 9,227 cases having a c.i.f. value of £1,243. This type of suitcase does not appear to be made in Canada.

Cement, Portland.—A good share of this business has already been diverted to Canada.

Insecticides and Vermin Killers.—The United States held about half of this trade in 1938, the balance being divided more or less evenly between the United Kingdom and Germany. The item is not subject to customs duties, so Canada gets no preference.

Haberdashery and Millinery.—This item includes embroidery, needlework, buttons, and all minor articles used in making up apparel, etc., not capable of allocation to various textiles. The United Kingdom, United States, Japan, Germany and Czecho-Slovakia were the principal suppliers in 1938. Canada participated in that year to the extent of £921.

Hardware and Ironmongery (Other than Cash Registers, Casket Hardware, Office Cabinets, Hardware and other Store Furniture of Iron and other Metals).—This classification includes such items as iron beds and springs, stoves, fire pots, expanded metal, shelf hardware, hollow-ware and the like.

Implements and Tools, Agricultural.—This item includes such articles as cutlasses, forks, spades, hoes, etc., which are dutiable at five per cent ad valorem under the general tariff and free from Empire sources. The United States has been for many years the chief source of supply, with the United Kingdom next. Canada's share in 1938 was only £1,724 or slightly more than Germany's.

Implements and Tools, Artisan's.—Includes chiefly axes, saws, hammers, planes and carpenters', plumbers' and machinists' tools generally. As in the case of agricultural tools the duties are five per cent and free under the general and preferential tariffs respectively. The United States is the chief supplier followed by the United Kingdom. Canada's share in 1938 was £1,326.

Sewing Machines.—Canada has for some years been the largest supplier of sewing machines, but Germany was running a close second in 1938 and 1939, having increased her sales from £742 in 1934 to £9,982 in 1938. Duties on sewing machines are five per cent and free under the general and preferential tariffs respectively.

Manures, Chemical.—While the United Kingdom is the largest supplier, considerable quantities of raw and mixed fertilizers have been coming from Holland (£10,439 in 1938), United States (£9,652), and Germany (£4,417). Germany's shipments consisted almost wholly of nitrate of soda, while Holland's were chiefly mixed. Nitrate of soda supplies are now arriving from Chile via New Orleans. This is a growing trade, imports rising from 3,675 tons in 1934 to 6,789 in 1938. Imports are duty free from all sources.

Wire for Fencing.—This item consists chiefly of barbed wire. Formerly duty free from all sources, it is now subject to a rate of 1s. 0d. per 100 pounds under the preferential tariff and 1s. 4d. per 100 pounds under the general tariff. Germany was the largest supplier in 1938 (£3,079), followed by the United States (£3,028) and Canada (£2,191). Canada's prospects of securing this business depends on her ability to supply.

Wire Netting.—In 1938 the United Kingdom supplied wire netting to the value of £4,114 and Germany to £3,030, out of total imports of £7,432. The possibility of the United Kingdom maintaining shipments is doubtful.

A growing interest in Canada as a source of supply for many of the products referred to above is evident from the large number of inquiries now being received. Canadian manufacturers desirous of exploring the possibilities of this market are invited to send full details to the Canadian Trade Commissioner at Kingston.

IMPORTS FROM AUSTRIA, CZECHO-SLOVAKIA AND POLAND

Austria.—Imports from Austria have been unimportant, amounting in all in 1938 to £1,187 only. They were chiefly composed of sewing machines and furniture of wood.

Czecho-Slovakia.—Total imports in 1938 from this source were valued at £15,874, consisting chiefly of hops, £804; beer, £81; rubber-soled canvas shoes, £4,544; boots and shoes of leather, £1,427; table and other glassware, £946; haberdashery and millinery, £1,773; miscellaneous hardware, £349; jewellery, £527; and artificial silk, £3,315.

Poland.—Imports from Poland were of little importance, amounting to a total of £2,503, made up principally of wooden furniture, £1,179; bacon, £125; ham, £248; cotton piece-goods and manufactures of cotton, £675.

IMPORTS FROM OTHER EUROPEAN COUNTRIES

Considerable quantities of goods of a varied nature have been coming to Jamaica from European countries other than those referred to above. Due to transport difficulties and other considerations, importers are looking to Canada for supplies. Following is a list of the more important of such items of interest to Canada, showing the values of total imports and of imports from the leading suppliers:—

Cocoa, Prepared.—£6,635: Holland, £2,398.

Peas and Beans, Split.—£2,997: Holland, £2,634.

Malt.—£6,062: Hungary, £3,500.

Ham.—£22,063: Denmark, £3,129; Holland, £2,016.

Milk, Condensed, Unskimmed.—£143,891: Denmark, £2,457; Holland, £87,107.

Fish, Herrings, Smoked.—£1,079: Norway, £539.

Buckets, Pails and Tubs of Metal.—£4,917: Belgium, £527.

Cement, Portland.—£88,150: Denmark, £4,878.

Manures, Chemical.—£55,347: Holland, £10,439; Norway, £459.

Iron and Steel Manufactures.—

Bars and Sheets.—£36,933: Belgium, £2,066; France, £1,101.

Wire for Fencing.—£9,210: Belgium, £397; Luxembourg, £509.

Hoops and Shooks of Iron and Steel.—£2,119: Belgium, £699; Luxembourg, £509.

Other Manufactures of Iron or Steel.—£72,311: Belgium, £1,928.

Oils, Linseed.—£7,107: Holland, £4,613.

Paper for Wrapping Fruit.—£5,072: Holland, £499; Sweden, £172; Norway, £1,441.

Hoops and Shooks and Containers of Paper or Cardboard (for putting up domestic produce).—£13,341: Belgium, £3,249; Holland, £208.

Paper, Printing.—£33,231: Estonia, £138; Finland, £113; Norway, £372; Sweden, £209.

Paper, Other Kinds.—£77,123: Belgium, £278; Holland, £13,288; Finland, £886; Sweden, £4,634; Norway, £118.

Silk, Artificial.—£111,722: France, £9,828; Hungary, £4,376; Italy, £16,135; Switzerland, £2,709.

Fire-Resisting Wallboards.—£2,718: Finland, £361; Sweden £745.

CONTROL OF TRADE

Imports into Jamaica from Canada are prohibited *except* under a licence issued by the Competent Authority. Licences are being issued freely, and in no case has a licence to import from Canada been refused. The order with respect to import licences does not apply to an article imported into Jamaica by parcel post or air express, provided such article or the total quantity of such articles consigned or forwarded by one mail to any one person does not exceed the sum of five pounds (£5) in value and is not otherwise restricted or prohibited.

CURRENT MARKET CONDITIONS FOR DRY PEAS AND BEANS IN THE UNITED KINGDOM

H. L. BROWN, ASSISTANT TRADE COMMISSIONER

London, January 15, 1940.—In two reports on wartime control of cereals and cereal products in the United Kingdom, published in *Commercial Intelligence Journal* No. 1864 and No. 1872 (October 21 and December 16, 1939, respectively), the position of dry peas and beans was mentioned in a general way, since pulse is included under cereals in the United Kingdom government wartime regulations. In the interest of Canadian pea- and bean-growers and exporters, the following brief summary of the present position of these commodities in this market is now offered.

QUANTITIES NORMALLY IMPORTED

As indicated in detailed reports previously published* the importation of dry peas into the United Kingdom averaged over 75,000 long tons (95,000 long tons in 1938), and importations of dry beans, not including locust, soya or butter beans, averaged over 35,000 long tons (41,000 long tons in 1938).

The peas are principally blues for canning and table use supplied by the Netherlands, Japan and Roumania, with lesser quantities from other European countries, whites for grinding and splitting from India, Russia and a number of other countries, and feeding peas from Australia, New Zealand and other sources.

* See "Dried Peas in the London Market", published in *Commercial Intelligence Journal* No. 1682 (April 25, 1936), and "Haricot Beans in the London Market", published in No. 1687 (May 30, 1936).

Canada's participation in this trade has been small, as there has not been a great demand for yellow boiling peas, and Canadian blue peas have been somewhat expensive.

Beans are classified in the United Kingdom import statistics as "haricot" and "other", which are used mainly for canning and as a table vegetable. Total imports of dry haricot beans in 1938 were 4,930 long tons, of which Canada supplied 1,803 tons; Burma, 1,428 tons; and Japan, 730 tons. Total imports of other dry beans (not including locust, soya and butter beans) were 36,019 long tons in 1938, of which Canada supplied 10,917 long tons; Burma, 9,298 tons; Iraq, 4,546; China, 3,215 tons; Chile, 2,513 tons; and Japan, 1,544 tons.

In the past year or so, therefore, Canada has become the leading supplier of dry beans to the United Kingdom market.

WARTIME CONTROL

All overseas purchases of dry peas and beans for importation into the United Kingdom are made, in common with purchases of other cereals, solely by the Cereals Control Board through its buying Division, the Cereals Import Committee at Godstone, Surrey. Offers of Canadian peas and beans must therefore be made to the Committee, but such offers can best be handled through an agent in the United Kingdom who can maintain contact with the Committee.

PROSPECTS FOR CANADIAN PEAS AND BEANS

With supplies from a number of countries cut off or interrupted by war conditions, it might be expected that Canadian dry pea beans would find an increased market and that a demand for dry peas would develop in the United Kingdom. However, due to exchange and shipping restrictions, purchases of Canadian beans have not been extensive during the past four months, and little or no quantities of Canadian peas have been bought. Nevertheless dry peas and pea beans are required and while future events may change the current situation, it may be stated on good authority that importations of Canadian pea beans should be maintained at least at the pre-war level, and that Canadian dry peas, especially blues but possibly also yellows, will be purchased in moderate quantities. Prospects depend on the demand, the exchange and shipping facilities available, and the course of the war.

MARKET CONDITIONS FOR OYSTERS IN THE UNITED KINGDOM

H. L. BROWN, ASSISTANT TRADE COMMISSIONER

London, January 4, 1940.—The following brief summary is supplementary to a composite report entitled "Market for Oysters in the United Kingdom," published in *Commercial Intelligence Journal* No. 1825 (January 21, 1939), according to which there are sales possibilities for Canadian oysters in the United Kingdom, although the market is highly competitive, and difficulties presented by other factors must also be overcome.

WARTIME REGULATIONS

Following the outbreak of war, the United Kingdom Board of Trade issued Import Licensing Order No. 1, dated September 3, prohibiting entry into this market of canned oysters and providing for the importation of fresh shellfish, not of United Kingdom taking, only under licence; licences are not readily obtained.

The result is that the trade has to depend almost entirely upon English oysters, mainly Whitstable. As pointed out in the report referred to above,

imported oysters constitute some 95 per cent of the total quantity consumed and, as a result, supplies are now getting very low. At the same time, however, there has been a somewhat lessened demand owing to the abandonment of the innumerable banquets usually held throughout the country and to restricted consumption resulting from black-out conditions, mobilization and similar features of wartime economy.

At the annual meeting of the Oyster Merchants' and Planters' Association a few weeks ago, it was stated that the question of restocking the oyster beds is a matter of vital importance to the British industry, as the small quantity of oysters remaining of those imported in the spring of 1939 could last only two or three months. The difficulties of importation affect equally French and Dutch as well as United States oysters. Apart from the restriction of importation, there is the problem of obtaining shipping space.

In view of essential restrictive regulations and transport difficulties, as well as reduced demand, this is not an opportune time to promote the sale of Canadian oysters in the United Kingdom market.

OYSTER BREEDING

The trade press reports that, as a result of experiments continued in 1939, oyster breeding in the United Kingdom has reached a stage where it can be placed in the hands of the trade and carried on with a certain amount of scientific supervision. The need for economy, as well as prevailing market conditions, will probably retard development for the present, but it can be expected that oyster breeding will become an important feature of the trade in the future.

CONTROL OF AUSTRALIAN HIDE TRADE

R. P. BOWER, ASSISTANT TRADE COMMISSIONER

Sydney, December 27, 1939.—The regulations covering the export of hides from Australia, as outlined in a report on that subject published in *Commercial Intelligence Journal* No. 1872 (December 16, 1939), page 1129, were purely temporary and aimed at establishing a procedure which could be followed until a Hide and Leather Industries Board could be created, and a permanent export scheme devised. Such a scheme has now been developed, and will become operative as soon as gazetted.

It calls for the creation of a Hide and Leather Industries Board, consisting of a chairman, a deputy chairman and six other members, the last mentioned being selected from the six groups concerned with the hide and leather trade, i.e., cattle raisers, hide brokers, hide merchants or exporters, slaughterers, tanners, and footwear manufacturers. It also provides for the appointment in each state of appraisement committees, to whom all hides and skins must be submitted. All dealers in hides are licensed, and no dealer is allowed to buy or sell hides except as provided by licences granted by the Board. No hides may be sold that have not been appraised by an appraisement committee.

The members of the Board have now been appointed, and the regulations will become effective as soon as the necessary appraisement committees have been organized.

APPLICATION OF THE SCHEME

All hides that are salted and treated in any meat works and all hides that are submitted for appraisement are acquired by the Commonwealth, and compensation for all interested parties is arranged on the basis of the appraised values.

After acquisition by the Commonwealth, two separate sales are held, the first being known as a home-consumption sale, at which all hides sold shall

be for domestic use. No person shall buy any hides acquired by the Commonwealth at a home-consumption sale unless he satisfies the Board that he will use those hides in Australia.

The export of hides is prohibited except by certain licensed exporters, who can only export according to the terms of their licences. They acquire their hides at export sales, which are held subsequent to the home-consumption sales, thus giving the local users first refusal of all hides offered.

CONTROL OF LEATHER EXPORTS

The export of leather is also prohibited except under licence. The terms of leather export licences provide that of the total quantity of leather manufactured by any manufacturer no greater portion shall be exported than that which bears the same proportion to that total quantity as the weight of hides purchased by him at export sales bears to the total weight of hides purchased by him at all sales.

SOUTHERN RHODESIA'S TRADE WITH GERMANY

J. C. BRITTON, ASSISTANT TRADE COMMISSIONER

(The Southern Rhodesian pound is on a par with the British pound sterling).

Johannesburg, December 15, 1939.—Germany's trade with Southern Rhodesia has not been large in volume but it has been increasing steadily during the past five years. The outbreak of war has, of course, brought this development to a standstill. Canada's share of the Southern Rhodesian market in 1938 amounted to £372,509, or 3·9 per cent of the total import trade of the Colony. Imports from Germany during the same year totalled only 2·7 per cent of the total imports of private merchandise, which was approximately the same as in 1937. Nevertheless, a variety of goods previously supplied by Germany might well be displaced by Canadian products.

IMPORT TRADE

The total import trade of Southern Rhodesia has increased progressively in each of the past five years, the figures for the period 1934 to 1938 being as follows:—1934, £5,309,254; 1935, £6,555,997; 1936, £7,026,688; 1937, £8,568,685; 1938, £9,758,809.

ECONOMIC CONDITIONS

Economic conditions in Southern Rhodesia are dependent to a marked degree upon the principal industry—mining—but agriculture also holds an important place. Gold, asbestos, chrome, and coal are the chief minerals produced, while tobacco, maize, fresh and frozen meats, and cattle hides constitute the main agricultural exports. Secondary industries which have been established in increasing numbers, particularly in the past five years, now render Southern Rhodesia practically self-sufficient as regards such products as flour, beer, cigarettes, refined sugar, and butter. Notwithstanding the rapid strides made by secondary industries, Southern Rhodesia is still largely dependent upon sources other than domestic for a large part of the manufactured products consumed. In addition, a large proportion of the mining machinery and equipment, electrical machinery, motor cars and accessories, railway material, agricultural machinery, hardware, and textiles used in the Colony is imported from overseas.

IMPORTS FROM GERMANY

Imports from Germany were valued at £256,848 in 1938, at £220,049 in 1937, £158,536 in 1936 and £143,700 in 1935. These were spread over a large number of commodities, the most important being metal manufactures and

machinery, which accounted for 66 per cent of total imports from Germany in 1938 as compared with 68 per cent in the previous year. The principal imports from Germany are shown below, with values for the calendar years 1938, 1937, and 1936:—

	1938	1937	1936
Electrical machinery	£49,315	£14,254	£ 4,124
Other metals, metal manufactures, machinery and vehicles	38,969	39,728	25,757
Machinery n.e.e.	24,592	14,355	14,545
Motor cars	15,971	12,400	2,714
Battery shoes and dies	10,459	14,254	11,448
Ploughs, harrows, cultivators and part . . .	10,023	20,498	12,664
Jewellery, timepieces, fancy goods, and musical instruments	8,462	7,231	7,304
Medicinal preparations, specific	8,006	4,597	2,006
Pipes and piping	7,379	1,643	3,066
Photographic goods	6,953	5,326	2,666
Other yarns, fibres, textiles and apparel . .	6,177	2,783	3,186
Lubricating oils	5,073	4,380	3,518
Fertilizers	4,171	1,131	3,928
Mechanic's tools	3,459	3,331	3,242
Motor truck chassis	3,356	15,280	9,902

POSSIBLE INCREASE IN CANADA'S TRADE

Prospects for increasing Southern Rhodesia's imports from Canada, with Germany no longer a competitor, are now favourable. Imports from Canada have increased gradually over the past five-year period. They were valued at £372,509 in 1938 as compared with £341,832 in 1937, £271,068 in 1936, £240,600 in 1935, and £231,819 in 1934. Motor cars; ploughs, harrows, cultivators and parts; pipes and piping; mechanic's tools, and motor truck chassis of Canadian manufacture have found a ready market in Southern Rhodesia, and at least a part of Germany's former trade in these particular articles might reasonably be diverted to Canadian sources of supply. Outer garments, toys, and soft haberdashery are other articles which have been imported from Germany in lesser quantities and should be of interest to Canadian exporters. Other Canadian lines also offer possibilities for increased trade, and it is felt that the Southern Rhodesian market warrants more attention by Canadian firms. Detailed information concerning the Southern Rhodesian market for particular products will be forwarded to interested Canadian firms on application to the Canadian Trade Commissioner at Johannesburg.

GERMANY'S TRADE WITH ARGENTINA

J. C. DEPOCAS, ASSISTANT TRADE COMMISSIONER

(At current rate of exchange 3.50 pesos equal \$1 Canadian)

Buenos Aires, December 26, 1939.—During 1938, 1937 and 1936, Germany supplied 10.3 per cent, 10.7, and 9.2 per cent respectively of the aggregate imports of goods into Argentina, while Germany, Austria, Czecho-Slovakia, and Poland together supplied 13.5 per cent, 13.9, and 12 per cent respectively. In return for Argentine purchases of her goods Germany bought such commodities as hides, frozen beef, wool, raw cotton, wheat, corn, oats, barley, and a few miscellaneous products, to an amount closely equal to her sales to Argentina. German-Argentine trade dealings before the war were effected on the basis of compensation or clearing account and there was only a small visible trade balance in favour of Germany during this three-year period.

Since the outbreak of war, Germany has practically ceased to export to this market. At least, products of German origin are not coming direct or through Germany's neutral neighbours in any quantity approaching the previous level. In this connection it may be observed that, according to Argentine trade statistics, Germany's trade with Argentina during the war of 1914-18 dropped to zero.

The disappearance of German goods from this market for an indefinite period opens up attractive opportunities for other foreign countries and at the same time will help home industries. Argentina has highly developed local manufacturing industries and has set up a tariff which gives effective protection to practically all goods of a kind or class made in Argentina. German competition was so keen that a number of German goods could be imported in spite of the tariff handicap, which was too great for the same articles when originating in other countries. This explains why Germany had a virtual monopoly of the supply of certain import items, such as silk hosiery, which had to face competition from goods produced in Argentina.

The foreign countries which seek to divide Germany's former share of Argentine import trade may not receive equal treatment from the Argentine authorities. The external trade policy of Argentina is based on the principle that Argentina must accept payment in goods, apart from financial services, for meats and grains sold to the United Kingdom and France during the present war. Consequently, those two countries and other good customers of Argentina, such as Belgium, the Netherlands and Italy, are given preferred treatment and the first opportunity to replace Germany in this market. From an industrial standpoint these countries are in a position to substitute for Germany in the case of a great many items, since they were Germany's strongest competitors before the war. Such special treatment can be assured because all imports into the Argentine are subject to official control. However, competition has been placed on an equal basis for all countries with respect to raw materials for the domestic industries and in articles which formerly came largely from Germany and can not be supplied by the above-mentioned countries. In arriving at any conclusions from the following survey, which is based on Argentine statistics, these two features of Argentine trade policy must be kept in mind.

FOREIGN TRADE

The following tables show in thousands of pesos the distribution of Argentina's import and export trade among the eight leading supplying countries together with the visible trade balances in favour of (+), or against (—) Argentina, for the years 1938 and 1937:—

Distribution of Argentina's Import and Export Trade

	1938			1937		
	Imports	Exports	Balance	Imports	Exports	Balance
	Thousands of Pesos			Thousands of Pesos		
United Kingdom	293,006	459,495	+166,489	322,586	671,878	+349,022
United States	254,685	118,553	—136,132	250,511	294,866	+44,355
Germany	150,527	163,544	+13,017	166,488	157,182	—9,306
Belgium	89,544	103,897	+14,353	111,952	217,231	+105,239
Italy	88,756	35,559	—53,197	72,508	142,524	+70,019
Brazil	75,602	98,308	+23,246	79,027	131,963	+52,936
France	69,229	75,394	+6,165	65,288	95,868	+30,580
Japan	54,484	16,229	—38,255	56,299	24,058	—32,241
Total above countries. . . .	1,075,833	1,070,979	—4,854	1,124,659	1,735,570	+611,111
Total all countries	1,460,887	1,400,452	—60,435	1,557,684	2,310,997	+753,313

The following table shows the total percentage of Argentina's import and export trade shared in 1938 and 1937 by the eight countries listed in the foregoing table, and the percentages enjoyed by the United Kingdom, United States, Germany "proper" and "greater" Germany:—

	1938		1937	
	Imports Per Cent	Exports Per Cent	Imports Per Cent	Exports Per Cent
Eight countries.	73.6	76.5	72.2	75.1
United Kingdom	20.0	32.8	20.7	29.0
United States.	17.4	8.4	16.0	12.7
Germany	10.3	11.6	10.7	6.8
Greater Germany.	13.5	14.9	13.9	8.7

SHARE OF ARGENTINE TRADE ENJOYED BY GERMANY AND GERMAN-CONTROLLED COUNTRIES

The following table shows the value of Argentine imports from, and exports to, Austria, Poland, Czecho-Slovakia, and Germany in 1938 and 1937, and Argentina's trade balances with each in those two years:—

	1938			1937		
	Imports	Exports	Balance	Imports	Exports	Balance
	Thousands of Pesos			Thousands of Pesos		
Total	197,451	208,959	+ 11,508	216,920	201,001	—15,919
Austria	7,583	9,784	+ 2,201	11,236	7,905	+ 3,331
Poland	18,912	17,397	— 1,515	18,094	15,143	— 2,951
Czecho-Slovakia	20,429	18,234	— 2,195	21,012	20,771	— 331
Germany	150,527	163,544	+ 13,017	166,488	157,182	— 9,306

IMPORTS BY COMMODITIES

Following is a list of groups of commodities imported into Argentina, as classified in Argentine trade statistics, showing the value of imports of each in 1938 as a percentage of total imports: textiles, 20·3 per cent; fuel lubricants, 16·1; machinery, 16; iron and its products, 9·1; foods, 6·6; chemicals, 6·2; paper and paper products, 4·6; non-ferrous metals, 4·6; lumber and lumber products, 3·7; stones, earths, and ceramics, 3·2; rubber and rubber products, 2·6; tobacco, 1·0; beverages, 0·3; miscellaneous, 5·7 per cent.

The principal supplying countries for each of these groups, with the percentage share of the United Kingdom, the United States, and Germany shown within parentheses, were as follows in 1938:—

Textiles.—United Kingdom (26 per cent), India, Italy, Japan, Belgium, France.

Fuel and Lubricants.—Peru, United Kingdom (25), Dutch West Indies, United States (14·7).

Machinery.—United States (50), United Kingdom (18·3), Germany (14·4).

Iron and Products Thereof.—Belgium and Luxemburg, Germany, (25), United Kingdom, (12·7), France, United States (8·7).

Foods and Alimentary Products.—Brazil, Italy, France, United Kingdom (3·8).

Chemicals.—United Kingdom (25·5), United States (23·9), Germany (17·2), France, Dutch East Indies.

Miscellaneous.—United States (27), Germany (23·9), United Kingdom (10·6), Belgium, Japan.

Paper and its Products.—Finland, Germany (16·1), Canada, Sweden, Norway.

Non-ferrous Metals and Products.—United Kingdom (28·9), United States (16·4), Germany (15·4), Switzerland, Belgium.

Lumber and Lumber Products.—United States (31), Brazil, Poland, Yugoslavia, Sweden.

Stones, Earths, Glass, Ceramics.—Germany (15·2), Belgium, Uruguay, United States (12), United Kingdom (12), Czecho-Slovakia.

Rubber and Rubber Products.—British possessions in Asia, Ceylon, Dutch East Indies, United Kingdom (9·7).

Tobacco.—Brazil, United States (19), Cuba.

Beverages.—United Kingdom (37·7), United States, Spain.

The disappearance of Germany from the Argentine market would not affect it in any degree with respect to tobacco and foods, and very little with respect to rubber and rubber goods, beverages, and lumber and lumber products; although in the case of the last named, imports from Poland must be given a certain measure of consideration. In the textile, and the fuel and lubricants groups, although Germany's share is low, it represents quite an important amount. In the remaining groups the lack of supplies from Germany will be most greatly felt. It is in the supply of imports in these groups, however, that the other leading supplying countries are also most successful. In this connection it may be noted that imports from the United Kingdom are also low in each commodity group (with the exception of beverages) in which the imports from Germany are

small. It should be observed, however, in the case of most of these groups that, if they were divided into two subsections of raw materials and manufactured goods, Germany would rank very high, if not at the top, in manufactured goods.

NOTES ON IMPORTS FROM GERMANY

Textiles and Products Thereof.—Imports from Germany under this heading amounted to 8,012,000 pesos in 1938, 7,634,000 pesos in 1937, and 7,136,000 pesos in 1936 out of total imports of 287,826,000 pesos, 322,228,000 pesos and 272,778,000 pesos respectively. The imports in this group from Germany in 1938 were made up as follows: Silk and silk products, 3,814,000 pesos; wool and wool products, 1,323,454 pesos; cotton and cotton products, 1,650,000 pesos; linen and linen products, 566,000 pesos; jute, hemp, and products, 651,000 pesos.

Germany had at least a 50 per cent share of the market in cotton stockings, linen or muslin stockings, silk stockings, cotton and linen gloves, wool felt (not for hats), silk laces, silk gloves, fancy silk trimmings, wool or mixture for flags, shawls of wool or mixture, knitted cotton goods, waste cotton blankets. In a certain number of other items, imports from Germany have been higher in value than for the foregoing articles but the German share of imports has been smaller and Germany ranked after other countries. Among these were: Artificial silk thread, woollen fabric weighing from 200 to 400 grammes per square metre, cotton fabric with 40 to 85 per cent artificial silk, pure silk fabric mixed with up to 15 per cent other textile, woollen fabric weighing more than 400 grammes per square metre, cotton fabric with artificial silk, and binding cloth.

Fuel and Lubricants.—Germany is interested in only one item in this group, viz. coal. Imports of coal from Germany amounted to 10 per cent of the total coal imports in 1938. Those from Poland were about 7 per cent of the total, valued at 70,949,174 pesos.

Machinery.—This group is divided into three sections: (a) machinery and motors in general; (b) agricultural implements; and (c) means of transportation. During the last three years the five leading countries of supply were the United States, the United Kingdom, Germany, Hungary, and Canada.

In 1938 Germany was a close second to the United States in supplying machinery and motors in general to Argentina, imports from the two countries being valued at 16,160,000 pesos and 14,690,000 pesos. Half of the imports from Germany were machines and motors weighing over a metric ton. Germany supplied electric motors of more than $\frac{1}{4}$ horse power, to a value of 1,264,587 pesos out of a total of 3,376,698 pesos. Other items of interest in this subdivision from Germany were pumps, boilers, sewing machines, typewriters, calculating machines, and butter-making and meat-cutting machines. Imports from Canada were valued at 21,000 pesos.

Imports of agricultural implements from Germany in 1938 were valued at 1,665,000 pesos and consisted chiefly of spare parts and tractors. The United States was the leading supplier with 42,367,000 pesos and Canada second with 6,827,000 pesos.

Under "means of transportation" Germany, with shipments valued at 16,273,000 pesos, was third to the United States (55,134,000 pesos) and the United Kingdom (32,785,000 pesos) as a supplier. Imports from Canada were valued at 209,000 pesos. Germany led in motor cars of less than one metric ton with 1,804,000 pesos out of a total of 2,971,000 pesos and divided with the United Kingdom the sales of locomotives to Argentina. Imports of the latter from Germany were valued at 4,988,000 pesos and from the United Kingdom at 4,936,000 pesos. Germany also had a share in the sale of bicycles to Argentina, in which the United Kingdom and Italy lead.

Iron and Iron Products.—This group consists of two main divisions: rolling mill products, and manufactured goods (including hardware and tools). In

the first Germany was second to Belgium in 1937 and 1938, and was followed by the United Kingdom and France. The combined imports from the countries included in greater Germany, however, nearly equalled those from Belgium in 1937 and exceeded them in 1938. Germany has not led in the supply of any major items among rolling mill products and her chief competitors will easily replace her as a supplier in that respect. On the other hand Germany was the leading supplier of transmission shafts, spring steel, and bridge connections. Germany ranked first among suppliers of wire, wire ropes and cables, forged iron pipe, and galvanized iron piping. Poland was second in 1938 in supplying forged iron pipes and fourth for galvanized iron piping, while Czecho-Slovakia was sixth for both items.

Among manufactured articles, which were imported to the value of 35,612,651 pesos in 1938, Germany supplied 90 per cent of the imports of razor blades and steel casks and barrels, 20 per cent of imports of underground electric wire, and 16 per cent of those of ball bearings. These were the only manufactured articles imported to a value in excess of a million pesos. Germany has supplied from 50 to 90 per cent of the imports of kitchen utensils and cutlery and 75 per cent or more of imports in the hardware lines. She has had most of the business in needles, wire and cable fittings, oil stoves, ironers, tilting trucks, and iron valves.

Chemicals.—Total imports of chemicals into Argentina amounted in value to 88,561,812 pesos in 1938 and to 97,806,146 pesos in 1937. In order, the United Kingdom, the United States and Germany were the three principal supplying countries in the three years. The value of imports from each in 1938 was: United Kingdom, 22,513,870 pesos; United States, 21,346,929 pesos; and Germany, 15,283,634 pesos.

The chemicals group has seven sub-divisions: (a) animal and vegetable oils; (b) essences, perfumes and other toilet articles; (c) paints, varnishes, colours, dyes; (d) chemical substances for industrial and medicinal uses; (e) prepared medicines; (f) medicinal leaves, roots, seeds, flowers, etc., and (g) miscellaneous. In (a), (b), and (f) Germany's share of imports is small; in (c) she ranks second to the United States; in (d) third to the United Kingdom and the United States, with about half of the United Kingdom imports; in (g) she is fourth.

Most of the imports in the second sub-division are purchased from the United Kingdom, France and the United States. These are followed as suppliers by Switzerland, Italy, and Germany. In 1937 and 1938 Germany was the leading supplier of extract of anise and wintergreen, second for pine oil, fourth for extract of menthol and laundry soap.

Of forty items in the third sub-division, imports of four only had a value exceeding a million pesos in 1937 and 1938. These were black aniline, other anilines, enamel paints with cellulose base, and ochres and earths in general. Germany was the leading supplier of the first two, a poor third for enamel paints (the United States enjoying most of the business), and alternated for first place with the United States in supplying ochres and earths. Germany was the leading supplier of the less important imports of ferrite powder, pigments in powder, and of printing ink (black or colour).

In the sub-division of chemical and pharmaceutical substances for medicinal and industrial uses, there are about 275 items but imports of ten only exceed a million pesos in value. Imports of these ten accounted for a value of 23,855,045 pesos in 1938 out of a total of 26,798,186 for the sub-division, and for a similarly large proportion in 1937. These major items are: tartaric acid, aluminium sulphate, caustic soda, acetylsalicylic acid, calcium carbide, sheep-dips, black wax, zinc oxide, and sodium carbonate. Germany supplied practically all the imports of acetylsalicylic acid, led slightly in those of aluminium sulphate, and

supplied half the zinc oxide imports, but was hardly a competitor in the others. Imports of these ten items from Germany were valued at only 1,656,000 pesos out of imports from Germany to a value of 8,549,000 pesos in the sub-division. Germany, however, has had a dominant position as a supplier of numerous minor items, and has been almost without a competitor for some of them.

In the lesser sub-division of prepared medicines Germany ranked first as a supplier in 1938 and 1937, closely followed by France. Germany was easily the leading supplier of pastilles, tabloids, pills, medicinal solutions for hypodermic injections and neo-salvarsan. These items accounted for half of these imports from Germany.

Paper and Paper Products.—This group is divided into three sections: (a) paper and cardboard; (b) printed matter; and (c) articles of paper. The first is the most important with 90 to 95 per cent of the total value of the group.

PAPER AND CARDBOARD

The leading suppliers in 1938 were Finland, Germany, Canada, Sweden and Norway and the trade was divided as follows from 1936 to 1938:—

	1938 Pesos	1937 Pesos	1936 Pesos
Total	59,664,779	75,048,440	60,718,614
Finland	11,450,436	10,731,173	7,893,299
Germany	9,554,366	11,245,519	7,855,301
Canada	7,908,012	14,152,281	12,076,944
Sweden	7,360,358	10,191,069	9,028,230
Norway	7,192,535	10,147,911	11,247,273

Imports from Austria were 2,586,547 pesos in 1938, and 3,049,946 pesos in 1937.

Newsprint is the main item under paper and cardboard and Canada was the leading supplier in 1936 and 1937, Finland in 1938. Imports of newsprint constitute about 100 per cent of all imports from Canada in this group. The trade in newsprint in the three years, was divided as follows:—

	1938 Pesos	1937 Pesos	1936 Pesos
Finland	9,781,518	9,219,916	5,951,748
Canada	7,887,561	14,132,656	12,062,087
Norway	4,371,850	7,073,254	8,532,900
Sweden	3,746,811	5,819,115	5,480,857
Germany	1,478,454	231,280	277,684
Austria	261,014	373,623	40,146

Imports from other countries are more diversified than those from Canada. It might not be out of place to observe here that there may be an increased opportunity for Canadian newsprint if Finland and other Scandinavian countries meet difficulties in maintaining their supplies.

The imports from Germany and Austria in 1938 and 1937 were as follows:—

	1938			1937		
	Germany	Austria	Total	Germany	Austria	Total
	Thousands of Pesos			Thousands of Pesos		
Total	5,811	2,182	7,993	8,944	2,438	11,382
Cardboard without lining. . .	225	368	593	300	394	694
Cardboard with lining. . . .	95	4	99	141	8	149
Pasteboard	631	109	740	613	14	627
Wrapping, 25 grammes per sq. metre	56	222	278	45	62	107
Wrapping, up to 25 grammes . .	260	19	279	441	30	471
Writing and book paper . . .	4,544	1,460	6,004	7,404	1,930	9,334

In 1938 Germany and Austria combined were second to Finland (1,197,639 pesos) in cardboard without lining; third to Sweden (735,000 pesos) and Norway (298,000 pesos) in cardboard with lining; first in pasteboard with 50 per cent of the imports; second to Sweden (1,474,418 pesos) in wrapping paper up to 25 grammes per square metre; and were easily first in writing and book paper. Imports of the latter from other countries were: Norway, 1,899,723 pesos; Netherlands, 1,347,370; United Kingdom, 1,167,625; Italy, 418,432; United States, 245,475 pesos.

In addition Germany has had a virtual monopoly of the import trade in wallpaper and blue-print paper, obtained about 50 per cent of the filter paper business, competed with Japan in silk paper and with Belgium in photographic paper, followed in the last item by the United Kingdom and the United States. In carbon paper Germany was a poor second to the United Kingdom.

PRINTED MATTER AND ARTICLES OF PAPER

Germany's participation in the import trade in printed matter has consisted mostly of books or publications in German.

In the (c) section book-binding of cardboard was the only item imported to a value exceeding 200,000 pesos in 1938, Germany being credited with 189,000 pesos out of a total of 224,000 pesos.

Non-ferrous Metals and Manufactures Thereof.—Germany is the leading supplier in some minor items of this group. In others the United Kingdom and United States are usually the leaders. Items in the supply of which Germany held first place in 1938, with the value of total imports and of imports from Germany, were: Composition metal, total 237,040 pesos, Germany 205,685 pesos; enamelled copper wire, 375,934 and 186,934; copper tube, 712,664 and 370,000; aluminium powder, 160,429 and 89,943; composition metal articles, 949,782 and 746,354; hat pins, 108,387 and 83,655; gold-plated chains, 27,316 and 24,175; cartridges, 138,392 and 58,241; hair pins, 74,100 and 51,925 (Canada was next in order); aluminium paper, 459,322 and 375,643; electroliers, 195,036 pesos and Germany 126,027 pesos.

Lumber and Articles Thereof.—Germany proper has not occupied a leading place in supplying any items of this group but Poland has ranked third after the United States and Brazil. With Poland included, the value of imports from Greater Germany in 1938 was 6,692,681 pesos or over 12 per cent of the total of 52,142,084 pesos.

The following table shows the value of imports from the United States, Brazil, Germany, and the annexed countries in 1938 and 1937:—

	1938	1937
Total all countries.. . . .	52,142,084	59,872,191
United States.. . . .	16,213,508	21,291,630
Brazil.. . . .	10,239,010	11,331,261
Greater Germany.. . . .	6,692,681	6,350,098
Poland.. . . .	4,658,842	3,979,949
Czecho-Slovakia.. . . .	911,861	678,454
Austria	400,417	893,855
Germany.. . . .	721,561	797,840

Except for imports to a total value of 2,000,000 pesos, the imports in this group consisted of logs, and rough and sawn lumber for further transformation by the Argentine industry.

Greater Germany enjoyed the bulk of the trade in waterproofed telegraph and telephone posts with 459,000 pesos out of 639,000, and supplied 33 per cent of the imports of pine planks, and 66 per cent of the imports of birch in sheets of less than 6 mm. ($\frac{1}{4}$ -inch).

Austria and Czecho-Slovakia had a small share of the market for wood pulp: Austria 243,923 pesos, and Czecho-Slovakia 128,368 pesos out of a total of 4,202,651 pesos.

Among the manufactured articles of wood, which are imported on a very small scale, Germany leads in handles for small tools, such as hammers and files, with 18,830 out of a total of 42,124 pesos. Czecho-Slovakia and Poland supplied the bulk of imports of common wooden chairs with 49,000 out of 50,000 pesos. Germany supplied yardsticks and rules to the value of 16,195 out of 21,471 pesos.

Stones, Earths, Glass, and Ceramics.—This group has two sections: (a) raw materials, and (b) manufactured articles.

Uruguay is the leading supplier of imports under the first section owing to her shipments of sand and crushed stones, which account for 99 per cent of her share. The United States and Italy are next in order. Imports from Germany under this section in 1938, with the value of total imports of each item were: pumice stone, total 22,721 pesos, Germany 14,980 pesos; stone for lithography, 13,163 and 12,799; emery stone, 181,023 and 34,899; stone for sharpening, without frame, 40,989 and 19,054; Portland cement, 2,997,240 and 242,159; refractory earths, 188,161 and 14,139; plaster of Paris, total 59,955 pesos, and Germany 26,891 pesos.

The second (b) section is subdivided into 4 subsections: (1) glass; (2) porcelain and vitrified clay; (3) tiles and potteries; and (4) various. Glass (1) is the most important of these subsections. Belgium is the foremost supplier of common glass with Germany and Czecho-Slovakia offering keen competition. In specialties such as electric light fittings, eye glasses, electric light bulbs, etc., Germany and Czecho-Slovakia have had a dominant share of imports.

Under the subsections of glass and porcelain and vitrified clay, the values of imports in 1938 from these two countries together of items of possible interest to Canada were:—electric light fittings, 369,000 pesos (total 390,000 pesos); electric light bulbs, 112,000 pesos (147,000 pesos); insulators, 227,000 pesos (273,000 pesos); porcelain tubes, 25,000 pesos (29,000 pesos); bathroom supplies, 97,000 pesos (318,000 pesos); water closets, 206,000 pesos (718,000 pesos); electric lamp sockets, with bronze or porcelain, and porcelain with bronze, 302,000 pesos (402,000 pesos).

Similar figures for imports of tiles and potteries (3) were: enamelled tiles, 1,816,000 pesos (2,046,000 pesos); refractory bricks, 49,000 pesos (353,000 pesos); vitrified clay pipe, 766,000 pesos (876,000 pesos).

Subsection (4) includes mostly asbestos and asbestos products, in which the United States and the United Kingdom are the leading suppliers, except in cement and asbestos sheets, plain or undulated. Imports of the former from Germany amounted to 92,142 out of a total of 95,000 pesos, and of undulated to 816,302 out of 926,000 pesos.

Rubber and Rubber Products.—This is a minor import group, most of the imports consisting of crude rubber bought for use by domestic industries. Such imports amounted in 1938 to 28,275,600 pesos out of a total of 36,396,057 pesos and in 1937 to 35,273,451 pesos out of 44,578,590 pesos. Automobile tires, rubber carriage tires, and thread for looms were the only items the imports of which exceeded a value of 1,000,000 pesos in 1938. The United Kingdom and

the United States are the leading suppliers of the first two of these. Imports of other items in which Germany, Austria and Czecho-Slovakia enjoyed a substantial share in 1938 were: bags, sheets, etc., 133,000 pesos (total 353,000 pesos); and tubing, 65,000 pesos (124,000 pesos).

Miscellaneous.—This group has five sections: (a) live animals; (b) leather, furs and their products; (c) musical instruments; (d) electric appliances, etc., and (e) various, which includes almost everything from gems to shoe blacking.

The first two are not important for obvious reasons. In the second the two main items are patent leather and furs. Imports of patent leather in 1938 were valued at 953,760 pesos with Germany supplying to the value of 408,961 pesos. Most of the imports of furs are from the United Kingdom. Germany lead in supplying gloves with 191,854 pesos out of a total of 478,000 pesos.

In (c), another minor section, Germany lead in pianos, harmonicas and musical strings.

In (d) she has been the leading supplier of measuring instruments and such finished articles as toasters, small heaters, percolators, ironers, etc., also of accessories such as interceptors, switches, plugs, fusibles and insulating iron tubes. Imports from Germany of batteries, radio valves, receiving sets and materials for radio and telephones, which are the most important items under this heading, have been small compared to those from the United States.

In the last section, photographic films for cameras and cinemas, mechanical toys, materials for the petroleum industry, seed potatoes, and pencils are the main items.

From a poor third to the United States and Belgium in 1937, Germany moved up to first place in 1938 as a supplier of new films for cinemas with 601,527 pesos out of total imports of 1,228,156 pesos. She was second to the United States in supplying films for cameras in both years; in 1938 she supplied to the value of 345,927 pesos out of a total of 1,370,582 pesos.

The United States is the leading supplier of materials for the petroleum industry, and is followed by Germany. Imports from the former were valued at 4,852,278 and 5,781,568 pesos in 1937 and 1938. The sum of those from the former Germany and the annexed countries was 3,214,525 and 1,937,866 pesos respectively.

Imports of seed potatoes, an item headed by Canada, from Germany and Poland together have been about 8 per cent of total imports.

Germany supplied about 70 per cent of the 1938 imports of pencils. Other items of this section for which she was the leading supplier are: Jewels with or without precious stones, imitation jewels, apparatus for universities and laboratories, n.o.p., photographic apparatus, articles of galalite, bakelite, celluloid, liquid shoe blacking, buttons of metal, celluloid in sheets or strips, mineral wax, wooden jewel cases, water filters, toys, dolls, wicks, cane fibre, combs, horsehair brushes, hops (99 per cent with Czecho-Slovakia), needles for hypodermic syringes, bulbs for syringes, jars for drugstores, surgical instruments, paper hooks and fasteners, and automatic pencils.

OPPORTUNITIES FOR CANADA

During the three years 1936, 1937, and 1938, imports from Canada were confined, or nearly so, to three items: newsprint, agricultural implements and

seed potatoes. Canada's share in imports of these is shown in the following figures of Argentine imports:—

	1938 Pesos	1937 Pesos	1936 Pesos
Total imports from Canada	18,980,647	24,643,306	17,021,384
Newsprint	7,887,561	14,132,656	12,062,087
Agricultural implements	6,827,770	5,374,205	2,380,964
Seed potatoes	1,864,559	2,690,118	490,421
Total above three items	16,579,890	22,196,979	14,933,472
Percentage of total imports	87.3	90.0	87.7

The value of the remainder of the imports from Canada are shown in the following table:—

Miscellaneous Imports from Canada

	1938 Pesos	1937 Pesos	1936 Pesos
Apples and pears	235,934	85,953	48,993
Edible potatoes . . . . .	.....	77,598	.....
Whisky	23,679	27,245	17,478
Cotton belts	78,873	286,434	207,113
Rubber-soled shoes	23,607	114,821	19,938
Other papers	20,451	19,625	14,857
Lumber	167,236	78,372	41,260
Machine chains	16,582	10,275	21,996
Shovels with handles	91,645	155,370	68,484
Razor blades	59,782	69,818	117,812
Ball bearings	20,191	1,273	2,027
Railway supplies	82,339	4,545	.....
Electric copper wire up to 5 mm.	5,507	12,523	43,693
Powder aluminium	21,059	27,848	23,189
Asbestos	7,996	7,998	25,202
Inner tubes	7,223	9,630	50,218
Tires	160,346	172,307	406,066
Rubber boots	376,818	365,945	220,868
Rubber sheets	40,032	75,463	24,909
Battery plates	52,434	92,891	103,641
Telephone supplies	130,650	140,391	201,500
Current meters	65,445	261	43,855
Electrical material	50,602	50,493	60,807
Films	9,295	21,904	9,218
Vegetal fat	66,085	48,782	17,127
White cotton canvas	114,971	2,850	1,143

In the case of many of the items in this table, such as apples, edible potatoes, whisky, cotton belting, rubber-soled shoes, shovels with handles, asbestos, inner tubes and tires, rubber boots, telephone supplies, vegetal fat, and white cotton canvas, Germany was not a competing nation. Consequently the stoppage of German imports into this market will not provide opportunity for an increase of imports of these commodities from other countries. While Canada and Germany have been competitors in the supply of other papers, ball bearings, railway supplies, rubber tubes, rubber tires, rubber sheets, meters, films, and cotton goods, Canada has supplied so much less than Germany and there have been so many countries supplying more than Canada that the latter are likely to increase their shipments to a greater extent than Canada. In the majority of these items the United States and the United Kingdom will probably get the bulk of Germany's former share.

Germany has been the leading supplier of razor blades, powder aluminium, current meters, electrical materials, and films. Canada may now regain some of her former business in razor blades and increase her sales of powder aluminium if supplied in the same fineness as the German product.

Germany proper sold no lumber to Argentina but Poland divided most of the trade in spruce pine equally with the United States and Yugoslavia, with Canada and Roumania getting a small share.

PRODUCTS NOT HITHERTO SUPPLIED

There remains for consideration the question of Canada's present opportunity to sell to Argentina goods which Canada did not sell to Argentina before the war because they could not be offered on competitive terms or because there was no supply available for export from Canada.

The number of such goods for which there are now prospects of sale is limited by the gradually growing industrialization of Argentina and by the preferred position afforded by circumstances or by Argentine policy to other countries. The latter condition has been already referred to, but may be further elaborated here.

In normal times the United Kingdom purchases a large share of Argentina's exports. In 1938, for example, she purchased Argentine goods to a value of 459,495,000 pesos or 32·8 per cent of all Argentine exports, heading the list of purchasing nations by a wide margin. (The figures for 1939 may show an increase over those for 1938). Out of total Argentine exports of animal products valued at 638,279,000 pesos in 1938, the United Kingdom's purchases were valued at 325,502,000 pesos or 51 per cent of the total. For vegetable products the respective figures were 664,255,000 and 119,741,000 or 18 per cent; for mineral products, 17,391,000 and 3,576,000 or 20 per cent; for all others the United Kingdom share was 19·5 per cent of the total.

Without the United Kingdom purchases Argentina would evidently face a serious financial impasse. The trade balance is usually in favour of the Argentine; only in 1938 was the balance of payments in favour of the United Kingdom. This situation favours the United Kingdom and her industries can already produce most of the articles supplied formerly by Germany. There is, of course, the possibility that the United Kingdom will be unable to fulfil orders as they come. It is certain, however, that the United Kingdom will do everything possible to maintain exports. Moreover, the United Kingdom's efforts are seconded by the policy of the Argentine authorities.

The United States may be expected to benefit in trade with Argentina as a result of war conditions but any sharp or large increase of United States sales to that country will raise the question of payments unless the United States increases her purchases of Argentine products, or extends credits, or allows Argentina to float a long-term loan in the United States.

The position is not entirely the same as in 1914-1918 when the United States rose to first position among the supplying nations. To-day imports are under control in Argentina. Further, some European countries which were among the belligerents in the 1914-1918 war are at present neutral. Certain of these, Belgium and Italy for example, are striving to keep their former share of Argentine's imports, or to capture part of Germany's. These conditions influence Canada's opportunity as well as that of the United States.

Canada and the United States are permitted to compete only in the case of raw materials and articles which cannot be supplied by the United Kingdom, France, Belgium, the Netherlands and Italy, and in the case of certain articles they are subject to a quota of 100 per cent of their past imports. A list of these articles is on file at the Department of Trade and Commerce, Ottawa, and definite information as to the position in regard to specific kinds of goods from Canada may be obtained from the Department on request.

Canadian Trade Commissioners should be kept supplied with catalogues, price lists, discount rates, etc., and the names and addresses of trade representatives by Canadian exporters. Catalogue should state whether prices are at factory point, f.o.b. at port of shipment, or, which is preferable, c.i.f. at foreign port.

The Canadian Government Trade Commissioners at the present time are using Bentley's Second Phrase Code.

SUMMARY OF THE TRADE OF CANADA: MONTH OF DECEMBER, AND TWELVE MONTHS ENDING DECEMBER, 1939
(EXCLUDING GOLD)

(Compiled by External Trade Branch, Dominion Bureau of Statistics)

Main Groups	Month of December, 1939			Twelve Months ending December, 1939		
	Total Imports	From United Kingdom	From United States	Total Imports	From United Kingdom	From United States
	\$	\$	\$	\$	\$	\$
<i>Imports for Consumption</i>						
Agricultural and Vegetable Products.....	12,956,942	1,028,522	4,316,677	127,835,146	13,032,751	45,360,656
Animals and Animal Products.....	3,925,298	3,372,711	2,002,450	32,757,666	4,304,185	16,935,800
Fibres, Textiles and Textile Products.....	10,756,858	3,285,883	5,607,411	100,866,078	41,193,836	41,563,506
Wood, Wood Products and Paper.....	3,039,531	241,493	2,633,400	33,703,149	3,046,436	28,687,212
Iron and its Products.....	18,875,735	1,364,783	16,912,498	183,159,650	19,253,070	158,138,245
Non-Ferrous Metals and their Products.....	4,350,867	261,353	3,314,971	42,108,374	5,108,456	29,243,188
Non-Metallic Minerals and their Products.....	9,397,134	690,546	7,488,282	132,823,892	12,020,001	106,095,420
Chemicals and Allied Products.....	4,232,509	658,581	3,032,720	7,374,727	30,668,134	7,374,727
Miscellaneous Commodities.....	4,574,467	554,701	3,703,403	54,095,674	8,673,947	40,206,305
Total Imports, 1939.....	72,109,338	8,458,573	49,101,812	751,055,534	114,007,409	496,898,466
1938.....	44,285,986	7,032,923	29,187,819	677,451,354	119,292,430	424,730,567
1937.....	53,125,039	8,666,223	34,831,980	808,896,325	147,291,551	490,504,978
<i>Exports (Canadian Produce)</i>						
Total Exports	\$	To United Kingdom	To United States	Total Exports	To United Kingdom	To United States
Agricultural and Vegetable Products.....	39,991,029	11,429,175	24,986,582	220,118,056	94,205,226	79,469,436
Animals and Animal Products.....	13,066,566	7,871,899	4,230,889	131,803,706	73,577,536	44,117,026
Fibres, Textiles and Textile Products.....	911,065	147,300	130,224	14,427,669	3,463,707	2,305,580
Wood, Wood Products and Paper.....	22,333,445	3,202,811	15,959,132	242,541,043	43,936,500	165,824,101
Iron and its Products.....	4,919,237	1,042,663	437,892	63,102,432	15,976,901	4,954,238
Non-Ferrous Metals and their Products.....	12,732,403	4,854,408	4,727,696	182,890,103	83,363,379	49,538,273
Non-Metallic Minerals and their Products.....	3,494,102	249,203	1,898,385	29,332,099	3,430,123	16,161,233
Chemicals and Allied Products.....	2,194,239	302,099	910,631	24,263,342	5,730,789	9,683,576
Miscellaneous Commodities.....	1,379,436	217,527	714,683	16,447,654	4,415,081	8,338,584
Totals, 1939.....	101,021,522	29,317,085	53,996,114	924,926,104	328,099,242	380,392,047
1938.....	68,887,665	25,534,767	24,736,460	837,583,917	339,688,685	270,461,189
1937.....	75,092,684	31,237,455	25,627,131	997,366,918	402,062,094	360,012,143
<i>Exports (Foreign Produce)</i>						
Totals, 1939.....	951,206	47,769	838,904	10,995,609	787,193	9,361,551
1938.....	975,271	59,443	796,842	11,100,216	1,735,690	8,296,737
1937.....	804,219	77,885	631,968	14,754,862	1,296,524	12,208,624
<i>Excess of Imports (i) or all Exports (e)</i>						
Totals, 1939.....	(e) 29,863,390	(e) 20,906,281	(e) 5,733,205	(e) 184,866,579	(e) 214,879,026	(i) 107,144,868
1938.....	(e) 25,570,950	(e) 18,561,287	(i) 3,654,517	(e) 171,932,779	(e) 232,131,945	(i) 145,072,641
1937.....	(e) 22,771,864	(e) 22,649,117	(i) 8,572,881	(e) 208,225,455	(e) 256,067,067	(i) 118,284,211

GERMANY'S POSITION IN THE TRADE OF NICARAGUA

H. W. BRIGHTON, CANADIAN TRADE COMMISSIONER

(At current rate of exchange one cordoba equals U.S.\$1)

Panama City, January 18, 1940.—Imports into Nicaragua during 1938 were valued at \$5,118,579 as compared with \$5,620,871 for 1937 and \$4,648,186 for 1936.

The following table shows the value of imports into Nicaragua by supplying countries for the calendar years 1937 and 1938:—

	1937	1938
United States	\$3,044,606	\$3,057,952
United Kingdom	476,873	422,467
Germany	857,055	512,934
Japan	243,073	80,292
France	126,854	106,894
Italy	29,019	291,690
Other countries	833,391	646,350

It will be observed in the foregoing table that imports from Germany into Nicaragua declined from \$857,055 in 1937 to \$512,934 in 1938. There was an even greater decline as compared with imports from Germany in 1936 when Nicaragua purchased German goods to the value of \$1,336,568.

Following is a list of the articles imported from Germany in 1938 to a value in excess of \$1,000 and others of possible interest to Canadian exporters:—

	Cordobas		Cordobas
Lubricating oil	260	Gold and silver plated articles	704
Animal oils	1,307	Toys	8,159
Cotton manufactures:		Woollen cloth	2,998
Cotton thread and yarns	34,193	Other woollen manufactures	939
Knitted cotton underwear	1,610	Wooden manufactures	570
Wearing apparel	1,257	Sewing machines	856
Plain weave fabrics	51,023	Typewriters	439
Mixed weave fabrics	24,887	Electric machines	3,121
Other cotton manufactures	10,953	Electric apparatus and utensils	10,212
Foodstuffs, not cereals	935	Agricultural machinery	11,127
Aluminium manufactures	3,740	Machinery for sugar mills	2,580
Beer	784	Other machinery	18,103
Cement	27,665	Tin, lead and zinc manufactures	1,648
Copper and alloys	4,123	Books and printed matter	3,272
Leathers	4,909	Writing paper and satin paper for	
Vegetable fibre:		books	2,287
Thread and yarns	828	Newsprint	13,906
Wearing apparels	4,147	Other paper	9,947
Jute bags	2,863	Perfumery, cosmetics and toilet	
Fabrics	889	preparations	6,451
Other fibre manufactures	426	Earthenware and stone manufac-	
Iron and steel and manufactures thereof:		tures	6,503
Wire and wire manufactures	20,444	Paints, pigments, colours and var-	
Bars, rods, sheets, etc.	25,025	nishes	5,594
Nails and tacks	13,447	Prepared medicines	33,145
Cutlery	4,379	Specifics for syphilis	5,407
Tools and implements	4,550	Chemical products and simple drugs	25,887
Pipes and fittings	575	Dyes and inks	6,049
Domestic utensils, including those		Silk wearing apparel and underwear	1,131
enamelled	13,186	Silk woven goods	586
Other iron and steel manufactures	23,054	Hats and caps	788
Rubber manufactures	1,945	Automobiles and parts	11,919
Scientific instruments	921	Bicycles and motorcycles	1,600
Other instruments	2,448	Glassware and crystal ware	10,518
Soap	1,500		

EFFECTS OF THE WAR ON THE IMPORT TRADE OF THE LEVANT STATES UNDER FRENCH MANDATE

HENRI TURCOT, CANADIAN TRADE COMMISSIONER

[One Syrian pound (£S.) equals approximately 50 cents Canadian]

Cairo, December 28, 1939.—According to official statistics, the value of imports into the Levant States under French Mandate (Syria, the Lebanon, Latakia, and the Jebel Druse) from Germany and countries in enemy occupation in 1938 were: Germany, £S.2,655,000; Austria, £S.380,000; Czecho-Slovakia, £S.1,302,000; and Poland, £S.818,000. These amounts make a total of £S.5,155,000, which is equal to 7.2 per cent of the value of total imports.

The main items of import from Germany were coal, coke, pharmaceutical products, dyestuffs, cotton piece-goods, machinery, and locomotives. Imports from Austria included: cardboard, paper, and envelopes. Those from Czecho-Slovakia were principally malt, sugar, cardboard, paper, cotton piece-goods, woollen cloth, shoes, lighting apparatus, and buttons. Poland supplied chiefly anthracite coal, plywood, and veneers.

The import trade of the Levant States has hardly suffered as a result of the war. The comparatively large purchases of the Levant States under French Mandate, previously placed with firms in Germany and countries in enemy occupation, are now diverted to allied or neutral countries. Italy—and this is true about the whole of the Near and Middle East—is favourably placed in that respect. One obstacle to the continuance of this beneficial trade for Italy is that, since Italy has ceased to be a member of the League of Nations, the higher tariff rates will be levied on imports from Italy unless a trade agreement is concluded granting her the tariff rates applied to goods originating in the countries which are members of the League. On December 11, 1939, two years had elapsed since Italy withdrew from the League of Nations, but the status quo was prolonged by decree up to February 11, 1940.

As regards Canada, the opportunities offered as a result of the absence of Germany, Austria, Czecho-Slovakia, and Poland from the Syrian market would appear to be more particularly in the supply of newsprint, writing and wrapping paper, cardboard, plywood, veneers, and pharmaceutical preparations. In addition, owing to the presence of a large number of troops in the Levant States under French Mandate, an important market should be found there for Canadian foodstuffs, especially the canned varieties.

Exchange and trade restrictions have been instituted in the Levant States under French Mandate as from December 3 (see *Commercial Intelligence Journal* No. 1879: February 3, 1940, page 196), but in the measures adopted there appears to be nothing of a nature to cause hindrances to normal commercial transactions.

TARIFF CHANGES AND TRADE REGULATIONS

United Kingdom

IMPORT LICENSING REGULATIONS

GOVERNMENT CONTRACTS

The Chief Canadian Trade Commissioner in London writes that the Board of Trade have been requested by the Government Purchasing Departments to emphasize to government contractors and sub-contractors the importance of avoiding the importation of goods and machinery required by firms in connection with government contracts where equivalent goods, etc., can be obtained from British sources. In cases where government contractors find it necessary to import goods on the Imports Prohibited List, they should as early as possible advise the Government Purchasing Department concerned, who will provide

evidence regarding the contract; this evidence should accompany the firm's application to the Import Licensing Department for an import licence. It will also be of assistance if, where time permits, applications to the Import Licensing Department for licences to import such goods are accompanied by evidence from the appropriate trade organization, that equivalent goods are not obtainable from British sources or are not so obtainable within the required time.

STRAWBOARD

The Chief Canadian Trade Commissioner in London writes that at the request of the Ministry of Supply, the Board of Trade have issued an Order, the Import of Goods (Prohibition) No. 1 Order, 1940, prohibiting the importation except under licence of strawboard (not including corrugated board), lined or unlined.

The purpose of this order is not to restrict supplies of strawboard, but to enable the Paper Controller to arrange purchases of these materials in the most advantageous manner, as far as possible, through the normal trade channels and to put such materials as are available to the best use.

The order comes into force on January 22, but no licence will be required for goods which are proved to the satisfaction of the Customs authorities to have been despatched to the United Kingdom before that date.

Applications for import licences should be submitted in duplicate on the proper form direct to the Paper Controller, Ministry of Supply, Great Western Hotel, Reading, who will forward them to the Import Licensing Department of the Board of Trade with his recommendation.

It should be noted that licences will be issued in the name of the actual importer only. For this purpose the importer is deemed to be the owner or other person for the time being possessed of, or beneficially interested in, the goods at and from the time of their importation until they are delivered out of the charge of the Officers of Customs and Excise.

(Cabled advice regarding this order appeared in *Commercial Intelligence Journal* No. 1877: January 20, 1940, page 104.)

IMPORTS OF DRIED FRUITS TO BE LICENSED

Mr. W. B. Gornall, Canadian Fruit Trade Commissioner in the United Kingdom, cables under date January 29 that under a Ministry of Food Order dried fruits are prohibited importation into the United Kingdom except under licence. Licences are to be issued only to persons importing on behalf of the Ministry, and arrangements to import must not be made until an offer to buy is accepted by the Ministry. This, the cablegram states, will not interfere with present arrangements for selling Canadian products, the Order being intended to prevent consignments shipped in expectation that the Ministry will purchase them.

RULES OF MINISTRY OF ECONOMIC WARFARE ON BILLS OF LADING

Mr. Frederic Hudd, Canadian Government Trade Commissioner in the United Kingdom, reports that the Ministry of Economic Warfare in the United Kingdom has announced that there is a *prima facie* presumption of ultimate enemy destination attaching to all goods, whether originating within or without the Empire, consigned to any European country other than the United Kingdom, Eire, and France on bills of lading which do not show the name of the actual buyer, not being a forwarding agent or other intermediary, of the goods. Such goods are consequently liable to seizure as prize and to the delays consequent thereon. To avoid the commercial difficulties which arise in some cases where bills of lading are made out to the actual buyer, the Ministry is prepared to recognize the following procedure:—

1. Bills of lading may be made out to the order of bankers, shippers, forwarding agent, or others, provided they bear the inscription "Notify A.B. (name of buyer)." They must not, however, be made out simply "to order."

2. The name of the buyer so notified must be the name of the actual buyer of the goods and not of a forwarding agent or other intermediary.

3. In the case of a bill so made out (as in the case of all other bills for inward cargo to European neutrals) a declaration from the buyer named in the Bill in the form approved by the Contraband Committee and obtainable from British Consulates abroad, signed before and attested by a British Consul, should be forwarded to this Ministry before the arrival of the cargo at a Contraband Control Base, except in the cases mentioned in paragraph 5 below.

4. In the event of its being proved to the satisfaction of the Ministry that such a declaration is for any reason unobtainable from the buyer, a similar declaration must be made by the person to whom the bills of lading are made out and a guarantee given by him or on his behalf that the goods will ultimately reach the person named as the buyer in the "notify" clause on the bill.

5. The above conditions do not apply to bills of lading covering raw cotton shipments to Spain, which may for the time being be made out "to order" without being suspected of enemy destination. In the case of all shipments to Portugal and shipments other than raw cotton to Spain, the name of the buyer must appear on the bill in accordance with condition 1.

6. It must be clearly understood that compliance with the above conditions merely removes the prima facie presumption of enemy destination attaching to bills of lading which do not show the name of the actual buyer, not being a forwarding agent or other intermediary, and in no way exempts the goods from seizure if other grounds of suspicion exist.

7. The Ministry further wishes to make clear that it is not concerned in any way with the form of bills of lading covering shipments of goods inwards to the United Kingdom, Erie, or France, nor with bills covering shipments to any countries outside Europe from whatever country the goods may have been shipped. There is, therefore, no objection on the part of the Ministry to bills of lading made out "to order" in these cases.

Australia

STATUS OF CATEGORY D GOODS UNDER LICENSING SYSTEM

With reference to the announcement in *Commercial Intelligence Journal* No. 1879 (February 3, 1940), page 193, concerning the Australian import licensing system as affecting category D (prohibited) goods, a cablegram from Mr. L. M. Cosgrave, Canadian Trade Commissioner at Sydney, points out that originally category D goods ordered during November were not to be admitted unless covered by drafts drawn under letters of credit established prior to December 1 and imported prior to March 31. The latest concession extends to other category D goods ordered and accepted during November only. It allows normal quantities if imported by April 30 and if the amount of foreign exchange required by the individual importer is debited against the value of his permissible imports under one or more tariff items included in categories A, B, C. If the importer has no A, B, C quotas to deduct from, he is not in a position to take advantage of the new concession for category D goods.

Dominica

INCREASED DUTIES

A Dominica Ordinance assented to November 22, 1939, imposes during the continuance of the war an additional duty of 2½ per cent ad valorem under both

the British preferential tariff and general tariff on all dutiable goods imported into Dominica with the following exceptions: biscuits, bread and cakes; butter and butter substitutes; cheese; fish; grain, flour, pulse and preparations thereof; lard and lard substitutes; matches; meat; medicines and drugs; milk and extracts of milk; oil, all kinds; salt; soap; spirits; sugar; tobacco and snuff; vegetables.

Additional duties on some goods exempted from the foregoing duty of 2½ per cent ad valorem include: gin, 2s. per gallon preferential tariff and 3s. per gallon general tariff; whisky, 2s. 6d. per gallon preferential tariff and 3s. 9d. per gallon general tariff; cigarettes, 8d. per pound preferential tariff and 1s. per pound general tariff; and unmanufactured tobacco, 4d. per pound under both tariffs.

Federated Malay States

TEXTILES QUOTAS CONTINUED

Mr. K. F. Noble, Assistant Trade Commissioner at Singapore, writes under date December 8, 1939, that the Federated Malay States quota control of imports of made-up piece-goods, including outer garments of cotton and artificial silk, underwear of cotton, and underwear of artificial silk, will be continued during the calendar year, 1940. The number of licensed importers of such quota materials from China, Japan and the Netherlands Indies, remains as before.

France

DUTY FREE IMPORT OF MEATS

Mr. Hereule Barré, Commercial Attaché in Paris, cables that a French decree, published February 1, 1940, removes the import duties and licence taxes on lamb and mutton and frozen lamb, mutton and beef.

Chile

MARKING REGULATIONS

Mr. S. G. MacDonald, Assistant Trade Commissioner at Lima, Peru, reports under date January 26 that on November 18, 1939, a decree was issued and published in the Chilean official journal of that date providing for the carrying out of regulations with respect to the marking of various types of goods and merchandise, both of national and foreign origin. A point of interest to Canadian exporters in connection with these regulations is that a large range of imported goods must be marked with the name of the country of origin. The responsibility for compliance with the regulations rests with the importer, and must be discharged as soon as the merchandise is cleared through the customs.

Imported goods affected by this new law include the following: articles, merchandise, products, machinery, manufactures, utensils, etc., of prime necessity and of habitual consumption and use which are concerned with food, clothing, medicines, heating, lighting, transport, raw materials for the above lines, and services or any other aspect pertaining to the needs of the public consumer, whether sold retail or wholesale and irrespective of by or through whom they are sold.

Details of the provisions of this law are available to interested Canadian exporters upon application to the Department of Trade and Commerce, Ottawa.

Bolivia

CONSULAR FEE

Mr. S. G. MacDonald, Assistant Canadian Trade Commissioner at Lima, writes that under a Bolivian decree of January 3, 1940, the Bolivian consular fee of 6 per cent ad valorem, which has hitherto been payable by the importer in Bolivia, as from February 1, 1940, will be paid by the exporter.

The decree provides that the fee will be paid to a special account opened in the name of the Bolivian Treasury at a bank in the locality concerned. Forwarding agents, at the time of presenting consular invoices for legalization, will present a certificate that a deposit of 6 per cent of the value declared in the invoice has been made.

EXCHANGE CONDITIONS IN FOREIGN COUNTRIES

Mexico

R. T. YOUNG, CANADIAN TRADE COMMISSIONER

Mexico City, January 25, 1940.—In the latter part of June the Mexican exchange market was disturbed, following the announcement of the United States Government on the proposed silver purchase legislation. Peso rates, which had been maintained by the Bank of Mexico at 4.98½ buying and 4.99 selling, immediately increased to 5.40 pesos to the United States dollar selling, and at even higher rates dollars could only be obtained in small amounts. During the next few days the rates fluctuated between 5.60 and 5.70, transactions being small and limited, but by the end of the month the peso steadied at around 5.30. In July the peso again began to weaken, until by the end of the month it was worth about 6 to the dollar, and in mid-August selling rates reached a high of 5.9975 and a low of 5.94.

No restrictions were at any time placed upon the purchase and sale of exchange, but difficulty was experienced at this time in the purchase of large amounts, which sometimes necessitated waiting for several days, and banks confined their sales to business requirements rather than to requests for speculative purposes. The supply of dollars was limited to those purchased by the banks in the open market, augmented occasionally by dollars placed on the market by the Bank of Mexico when it became necessary to maintain the rate at less than 6 to 1.

EVIDENCE OF STRENGTHENING TENDENCY

After mid-August the peso showed a tendency to strengthen, and on August 21 the closing selling rate was 5.955 to the dollar; on August 24 it reached 5.90, due undoubtedly to the information being published that the negotiations regarding a settlement of the petroleum controversy were to be resumed. Dollars were now available to meet all demands, so that the Bank of Mexico found it unnecessary to enter the market. Bank loans, which were strictly curtailed, resulted in less pesos being available for the purchase of dollars, while banking authorities were of the opinion that the stabilization fund of the Bank of Mexico would prove sufficient to meet the situation unless there should arise a recurrent and insistent demand for dollars. The possibility of hostilities in Europe gave some concern as to the future financial situation in case Mexico's petroleum markets in Germany and Italy should be eliminated.

The following days saw a further strengthening of the peso, due to an advance in the world prices of silver and a strengthening of quotations for other metals such as lead, zinc and copper. On August 25 the Bank of Mexico, in order to prevent the peso from strengthening too rapidly, was obliged to purchase dollars at 5·89 pesos to the dollar, and it was the opinion in the market that otherwise the peso would have reached 5·50. Due to the European situation it was generally felt that the peso would continue to strengthen.

In the early part of October the rate of exchange showed little variation, due to the Bank of Mexico's selling dollars to cover any weakness of the peso. Dollar demand remained steady and generally exceeded dollar sales, with the result that the Bank of Mexico sold substantial quantities from its stabilization fund. Sufficient dollars were available at all times to meet the demand for all legitimate requirements in foreign exchange. A similar situation prevailed during the first half of November.

MORE RECENT DEVELOPMENTS

On November 27 the rescinding of the 4 per cent tax on the exportation of capital became effective. The demand for dollars on that date was somewhat heavy, but was confined almost entirely to commercial requirements. The following day the situation was about normal; dollars were available at all times to meet the demand.

In the week ending December 23 there was a steady weakening of the peso, which was only prevented from declining more rapidly by the Bank of Mexico's selling dollars to ease the situation. Demand for dollars began to far exceed the supply, with the result that many importers found themselves unable to meet their obligations on due date. On December 30 the demand for dollars was so insistent that the Bank of Mexico was obliged to supply them to its associate banks in order to prevent a too rapid increase in the rate. During the last week of the month there was at times a scarcity of dollars, but sufficient were available to take care of legitimate obligations. Closing rates during the last business day of the year were 5·89 buying and 5·90 selling.

Peru

S. G. MacDONALD, ASSISTANT TRADE COMMISSIONER

Lima, January 23, 1940.—Peru continues to be a free market for exchange. Throughout the first two months of the final quarter of 1939 the Peruvian sol was officially quoted at 5·36 to the United States dollar. However, at this rate only small amounts were obtainable, and most foreign business had to be financed from exchange obtained on the curb market. The rates on this market fluctuated greatly with a steady downward movement, mainly due to a shortage in export drafts, particularly for cotton. During September, transactions were conducted at approximately 5·36 soles to the United States dollar, but in October the sol weakened, and by the end of the month the street rate was about 6 soles to the United States dollar.

This tendency continued in November, and there was considerable speculation in exchange. During that month dollars were purchased on the curb market at as high as 6·7 soles, but by the end of the month a slightly stronger tendency was noted and, following the inauguration of the new Government on December 8, coupled with a greater abundance of export drafts, the sol strengthened. The official rate quoted by the Central Reserve Bank (5·36 soles), at which level

small quantities of United States dollars had been obtainable for necessities, was allowed to slip, and a rate of 5·8 soles was soon established. The export situation continued to improve, within a few days the street market disappeared, and by the end of the first fortnight in January the sol was being freely quoted at 5 to the United States dollar.

SITUATION IMPROVED

Since that time there has been a slight recession, and rates are now fairly steady at 5·25 soles to the dollar. The supply of export bills is satisfactory, and the abnormal demand for foreign currency, so pronounced during October and November of 1939 (when merchants, fearing that prices would advance rapidly, placed large orders for goods abroad, particularly in the United States), has been curtailed.

Business in the Peruvian market continues to be transacted on a basis of cash against documents, although in some lines letters of credit are required. However, Canadian firms should continue trading on the former basis, with drafts payable either in Lima, New York, or at Canadian points. The requirements of the Canadian Exchange Control Board, whereby payment must be either in United States dollars or in the currency of the country of purchase, is of definite advantage in trading with Peru. Canadian dollars are never abundant in the markets along the West Coast of South America, and a more correct exchange value is obtainable when payment is required in United States currency, which is readily available to importers in Peru. The advantage of purchasing United States dollars with Peruvian soles, since the supply of the former is adequate, as compared with the purchase of Canadian dollars, the supply of which on the local market is normally extremely limited, is obvious to anyone familiar with the buying and selling of foreign exchange.

Chile

Lima, Peru, January 27, 1940.—Stringent exchange control is in effect in Chile. A portion of all foreign exchange obtained by exporters must be surrendered to the Commission for International Exchange, while the remainder, known as "barter" or "export" exchange, may be used for approved imports or sold through an authorized bank to third parties for that purpose, as and when authority may be granted by the Commission. For the past three years the policy has been to maintain the Chilean peso at rates of 25 pesos to the United States dollar for export quotation drafts, but during the greater part of 1939 this exchange, when used for articles not considered necessities, has been obtainable at rates around 31 pesos to the United States dollar. This latter rate is the same as the "gold" or so-called "free market" rate. All of these rates are distinct from the "official" rate of 19·37 pesos to the United States dollar and the "curb" or "black" market rate which early in 1939 ranged between 33 pesos and 36 pesos to the United States dollar but in the last quarter was quoted fairly generally at around 31 pesos.

PRIOR PERMITS

At the beginning of September last, the Exchange Control Commission provided for prior permits with the following time limits within which the goods must arrive: Europe, three months; Americas, two months; the rest of the world, six months. At the end of October the validity of prior permits was extended to four months for the Western Hemisphere and six months for the

rest of the world. This procedure applies to merchandise that is to be paid for against documents in Chile or is imported on a consignment basis. In the case of payment in advance or against documents abroad, the application is valid for a fixed period of fifteen days, during which banks may apply for exchange. Any prior exchange permit which expires before the arrival of the goods is void unless an extension is expressly granted by the Exchange Control Commission. The purpose of these regulations is to force importers to use promptly the exchange granted them.

EXCHANGE APPLICATIONS

During the past year, importers have been required to submit to the Exchange Control Commission statements of orders to be placed abroad, together with complete details of imports of each individual item for the years 1938 and 1937 by the applicant for foreign exchange. A maximum of 70 per cent of the average imports for the two years of all items may be obtained by individual importers.

The method followed in connection with sales against letters of credit are as follows:—The importer in Chile first applies for a prior permit to import; if this is granted, he requests exchange authorization. In appropriate cases his bank may proceed with the foreign credit upon the approval of the prior import permit, otherwise he must delay until the Exchange Control Commission approves the exchange application. The time necessary to obtain the latter depends entirely upon the exchange market; in recent months it has taken from one to three weeks before approval is obtained.

For orders shipped against documents the importer places the order immediately upon receipt of the prior import permit and makes the application upon receipt of the documents. Delays in obtaining exchange depend upon the state of the exchange market. Approved exchange applications are valid for fifteen days only, i.e. the importer must actually take up the exchange within that time.

EXCHANGE MARKET AND PAYMENT CONDITIONS

At the beginning of the final quarter of 1939 no more than ordinary difficulties were experienced by importers in obtaining exchange. In November, however, a definite reduction in the volume of exchange available was noticeable, particularly for the "export", "free" and "gold" exchanges. These latter two are commonly called "D.P." ("Disponibilidades Propias", a term which may be translated as "Private fund in Foreign Money").

It has become increasingly apparent during the past year that the "export" rate of exchange is being applied more to articles of greater necessity, as from time to time more and more items are placed on the list for which only "D.P." exchange is granted. During the final two months of the year the total of the pending applications for prior permits steadily increased, and several weeks, as already stated indicated, have usually elapsed before applications have been approved.

For some time past, particularly since the outbreak of war in Europe, the difficulties of obtaining exchange and the general financial outlook in Chile have caused exporters to demand more stringent terms of payment. Canadian exporters to Chile should require that payments be made either by letter of credit, in the case of firms which are not good customers of long standing, and in any event cash against documents with payment either in New York or at a Canadian point or, in the case of well-known firms, against documents in banks in Chile.

FOREIGN EXCHANGE QUOTATIONS: WEEK ENDING FEB. 5, 1940

The Foreign Exchange Division of the Bank of Canada has furnished the following statement of the nominal closing quotations for all the principal exchanges for the week ending Monday, February 5, 1940, and for the week ending Monday, January 29, 1940, with the official bank rate:—

Country	Unit	Present or Former Gold Parity	Nominal Quotations in Montreal Week ending Jan. 29	Nominal Quotations in Montreal Week ending Feb. 5	Official Bank Rate
Belgium	Belga	.1001	\$.1877	\$.1876	2
Bulgaria	Lev	.0072	.....	.....	—
Denmark	Krone	.2680	.2143	.2143	5½
Finland	Markka	.0252	.0202	.0194	4
France	Franc	.0392	.0250	.0250	2
Great Britain	Pound	4.8666			
	Buying		4.4300	4.4300	2
	Selling		4.4700	4.4700	—
Greece	Drachma	.0130	.0080	.0080	6
Holland	Guilder	.4020	.5892	.5892	3
Hungary	Pengo	.1749	.2942	.3227	4
Italy	Lira	.0526	.0560	.0560	4½
Yugoslavia	Dinar	.0176	.0251	.0250	5
Norway	Krone	.2680	.2521	.2521	4½
Portugal	Escudo	.0442	.0403	.0402	4-4½
Roumania	Leu	.0060	.0076	.....	—
Spain	Peseta	.1930	.1104	.1104	5
Sweden	Krona	.2680	.2643	.2642	3
Switzerland	Franc	.1930	.2489	.2489	1½
United States	Dollar	1.0000			
	Buying		1.1000	1.1000	1
	Selling		1.1100	1.1100	—
Mexico	Peso	.4985	.1848	.1847	3
Cuba	Peso	1.0000	.....	.....	—
Guadeloupe	Franc	.0392	.0250	.0250	—
Jamaica	Pound	4.8666	4.4800	4.4800	—
Martinique	Franc	.0392	.0250	.0250	—
Other British West Indies	Dollar	1.0138	.9313	.9313	—
Argentina	Peso (Paper)	.4245	.3304	.3304	3½
	Free		.2526	.2536	—
Brazil	Milreis (Paper)	.1196	.0673	.0555	—
	Free		.0555	.0673	—
British Guiana	Dollar	1.0138	.9313	.9313	—
Chile	Peso	.1217	.0573	.0574	3-4½
	Export		.0444	.0444	—
Colombia	Peso	.9733	.6356	.6356	4
Peru	Sol	.2800	.....	.....	—
Venezuela	Bolivar	.1930	.....	.....	—
Uruguay	Peso	1.0342	.....	.....	—
	Controlled		.7307	.7307	—
	Uncontrolled		.4067	.4069	—
South Africa	Pound	4.8666	4.4600	4.4600	3½
Egypt	Pound (100 Piastres)	4.9431	4.5800	4.5800	—
China (Shanghai)	Dollar	.....	.0858	.0815	—
Hongkong	Dollar	.....	.2751	.2744	—
India	Rupce	.3650	.3359	.3359	3
Japan	Yen	.4985	.2602	.2602	3.29
Java	Guilder	.4020	.....	.....	—
Thailand (Siam)	Baht (Tical)	.4424	.4052	.4057	—
Straits Settlements	Dollar	.5678	.5194	.5187	—
Australia	Pound	4.8666	3.5800	3.5800	3
New Zealand	Pound	4.8666	3.5900	3.5900	4

The Dominion Bureau of Statistics has supplied the following note:—

Sterling free rates at New York showed weakness during the first half of the week ended February 5, dropping from \$3.99½ on January 29 to \$3.97 on February 1. A firmer tone in the second half, however, lifted quotations back to \$3.99 at the close. There was a decline in Canadian funds from 87½ cents to 87¼ cents on February 2, although a recovery on the final day moved quotations back to 87¾ cents. At Montreal French francs were unchanged at 2.51 cents, while neutral European units were relatively steady also. There was a moderate rise in the Argentine peso (free rate) during the week from 25.26 cents on January 29 to 25.36 cents on February 5. No change occurred in daily buying and selling rates set by the Canadian Foreign Exchange Control Board for sterling and United States funds. These remained at \$4.43-\$4.47 and \$1.10-\$1.11 respectively.

TRADE OPPORTUNITIES ABROAD FOR CANADIAN PRODUCTS

The Trade Inquiries for Canadian products published below have been received since the publication of the last issue of the *Commercial Intelligence Journal*. Interested exporters may secure the names and addresses of the firms making these inquiries, together with further details regarding the commodities required, on application to the Director, Commercial Intelligence Branch, Department of Trade and Commerce, Ottawa, or—

Secretary, Board of Trade—

Saint John, N.B.
Halifax, N.S.
Quebec, P.Q.
Montreal, P.Q.
Toronto, Ont.
Chatham, Ont.

Guelph, Ont.
Kitchener, Ont.
Brantford, Ont.
Stratford, Ont.
Woodstock, Ont.
St. Mary's, Ont.

Portage la Prairie, Man.
St. Boniface, Man.
Winnipeg, Man.
Vancouver, B.C.
New Westminster, B.C.

Secretary, Chamber of Commerce—

Sherbrooke, P.Q.
Kingston, Ont.
Oshawa, Ont.
Belleville, Ont.

Peterborough, Ont.
London, Ont.
St. Catharines, Ont.
Hamilton, Ont.

Victoria, B.C.
Prince Rupert, B.C.

Windsor Chamber of Commerce, Windsor, Ont.

Commercial Intelligence Service, Department of Municipal Affairs, Trade and Commerce, Quebec.

Department of Industry, Brantford, Ont.

Industrial Commissioner, Stratford, Ont.

La Chambre de Commerce de Montréal, 25 St. James E., Montreal, P.Q.

Secretary, Canadian Manufacturers Association—

Toronto, Ont.
Montreal, P.Q.

Winnipeg, Man.
Edmonton, Alta.

Vancouver, B.C.
Victoria, B.C.

Director, Bureau of Industrial and Trade Extension, Department of Trade and Industry, Victoria, B.C.

Canadian exporters should, for follow-up purposes, transmit a copy of any reply sent in response to a Trade Inquiry to the Trade Commissioner in the territory from which the inquiry emanated.

Commodity	No.	Location of Inquirer	Purchase or Agency
Miscellaneous—			
Socks, Cotton and Rayon (Men's and Children's).....	78	Kingston, Jamaica.....	Agency.
Suspenders for Socks and Trousers.....	79	Kingston, Jamaica.....	Agency.
Neckties.....	80	Kingston, Jamaica.....	Agency.
Underwear (Men's, Ladies' and Children's).....	81	Cairo, Egypt.....	Purchase and Agency.
Buttons.....	82	London, England.....	Purchase and Agency.
Dolls' Heads (Unbreakable).....	83	Melbourne, Australia.....	Purchase.
Dolls' Masks (Fabric).....	84	Melbourne, Australia.....	Purchase.
Spoons and Forks.....	85	Melbourne, Australia.....	Purchase and Agency.
Ice Cream Spoons and Sticks (Wooden).....	86	Sydney, Australia.....	Agency.
Vacuum Flasks.....	87	Melbourne, Australia.....	Purchase and Agency.
Electric Irons, Toasters, and Ranges.....	88-90	Durban, South Africa.....	Agency.
Talc.....	91	London, England.....	Agency.
Feldspar.....	92	London, England.....	Agency.
Machinery for Moulding Plastic Products by the Injection System.....	93	Melbourne, Australia.....	Agency.

COMMERCIAL INTELLIGENCE SERVICE

L. D. WILGRESS, Director

Argentina

J. A. STRONG, B. Mitre 430, Buenos Aires (1). (Territory includes Uruguay.) *Cable address, Canadian.*

Australia

Sydney: **L. M. COSGRAVE**. Address for letters—P.O. Box No. 3952V. Office—City Mutual Life Building, Hunter and Bligh Streets. (Territory includes the Australian Capital Territory, New South Wales, Queensland, Northern Territory and Dependencies.) *Cable address, Canadian.*

Melbourne: **FREDERICK PALMER**, 83 William Street, Melbourne, C.I. (Territory includes States of Victoria, South Australia, Western Australia, and Tasmania.) *Cable address, Canadian.*

Belgium and Luxemburg

YVES LAMONTAGNE, Commercial Attaché, Shell Building, 60 rue Ravenstein, Brussels. *Cable address, Canadian.*

Brazil

L. S. GLASS. Address for letters—Caixa Postal 2164, Rio de Janeiro. Office—Ed. Da. "A. Noite," Sala 802, Praca Maua. *Cable address, Canadian.*

British India

PAUL SYKES. Address for letters—P.O. Box 2003, Calcutta. Office—23 Esplanade Mansions, Government Place East, Calcutta. (Territory includes Burma and Ceylon.) *Cable address, Canadian.*

British Malaya

J. L. MUTTER, Union Building, Singapore, Straits Settlements. (Territory includes the Straits Settlements, the Federated Malay States, the Unfederated Malay States, Thailand, British Borneo, and Netherlands India.) *Cable address, Canadian.*

British West Indies

Trinidad: **M. B. PALMER**. Address for letters—P.O. Box 125, Port of Spain. Office—Barclay's Bank Building. (Territory includes Barbados, Windward and Leeward Islands, and British Guiana.) *Cable address, Canadian.*

Jamaica: **F. W. FRASER**, P.O. Box 225, Kingston. Office—Canadian Bank of Commerce Chambers. (Territory includes the Bahamas and British Honduras.) *Cable address, Canadian.*

China

V. E. DUCLOS. Address for letters—P.O. Box 264, Shanghai. Office—Ewo Building, 27 The Bund, Shanghai. (Territory includes Central China and North China.) *Cable address, Canadian.*

Cuba

C. S. BISSETT. Address for letters—Apartado 1945, Havana. Office—Royal Bank of Canada Building, Calle Aguiar 367, Havana. (Territory includes Haiti, the Dominican Republic, and Puerto Rico.) *Cable address, Canadian.*

Egypt

HENRI TURCOT. Address for letters—P.O. Box 1770, Cairo. Office—22 Shari Kasr el Nil, Cairo. (Territory includes the Sudan, Palestine, Cyprus, Iraq, Syria, Iran, Greece, Turkey, Bulgaria, and Roumania.) *Cable address, Canadian.*

France

HERCULE BARRÉ, Commercial Attaché, 3 rue Scribe, Paris (9). (Territory includes French Colonies in North Africa.) *Cable address, Cancomac.*

Hongkong

P. V. McLANE. Address for letters—P.O. Box 80, Hongkong. Office—Hongkong and Shanghai Bank Building, Hongkong. (Territory includes South China, the Philippines, and Indo-China.) *Cable address, Canadian.*

Ireland

JAMES CORMACK, 66 Upper O'Connell Street, Dublin, Ireland (*cable address, Canadian*); and 36 Victoria Square, Belfast, Northern Ireland.

Italy

A. B. MUDDIMAN, Via Manzoni Nr. 5, Milan (102). (Territory includes Spain, Portugal, Gibraltar, Malta, Albania, and Yugoslavia.) *Cable address, Canadian.*

CANADIAN GOVERNMENT TRADE COMMISSIONERS—*Con.*

Japan

C. M. CROFT, Commercial Secretary. Address for letters—P.O. Box 18, Akasaka Post Office. Tokyo. Office—Canadian Legation, 16 Omotecho, 3-chome, Akasakaku, Tokyo. *Cable address, Canadian.*

Mexico

R. T. YOUNG. Address for letters—Apartado Num. 126-Bis, Mexico City. Office—Edificio Banco de Londres y Mexico, Num. 30, Mexico City. (Territory includes Guatemala, Honduras, and Salvador.) *Cable address, Canadian.*

Netherlands

J. A. LANGLEY, Commercial Attaché, Coolsingel 111b, Rotterdam. (Territory includes Switzerland.) *Cable address, Canadian.*

New Zealand

W. F. BULL. Address for letters—P.O. Box 33, Auckland. Office—Yorkshire House, Shortland Street, Auckland. (Territory includes Fiji and Western Samoa.) *Cable address, Canadian.*

Norway

RICHARD GREW, Stortingsgaten 28, Oslo. (Territory includes Sweden, Denmark, and Finland.) *Cable address, Canadian.*

Panama

H. W. BRIGHTON. Address for letters—P.O. Box 222, Panama City. Office—98 Central Avenue, Panama City. (Territory includes the Canal Zone, Venezuela, Colombia, Nicaragua, and Costa Rica.) *Cable address, Canadian.*

Peru

M. J. VECHSLER. Address for letters—Casilla 1212, Lima. Office—Edificio Boza, Carabaya 831, Plaza San Martin, Lima. (Territory includes Bolivia, Ecuador, and Chile.) *Cable address, Canadian.*

South Africa

Cape Town: J. C. MACGILLIVRAY. Address for letters—P.O. Box 683. Office—New South African Mutual Buildings, 17 Parliament Street. (Territory includes Cape Province and Southwest Africa, Natal, Tanganyika, Kenya, Uganda, Mauritius, and Madagascar.) *Cable address, Cantracom.*

Johannesburg: J. H. ENGLISH. Address for letters—P.O. Box 715. Office—Prudential Assurance Building, 92 Fox Street. (Territory includes Transvaal, Orange Free State, the Rhodesias, Portuguese East Africa, Mozambique, and Nyasaland.) *Cable address, Cantracom.*

United Kingdom

London: FREDERIC HUDD, Chief Trade Commissioner in the United Kingdom, Canada House, Trafalgar Square, S.W.1. *Cable address, Sleighing, London.*

London: H. A. SCOTT, Trade Commissioner, Canada House, Trafalgar Square, S.W.1. *Cable address, Sleighing, London.*

London: G. R. HEASMAN, Trade Commissioner, Canada House, Trafalgar Square, S.W.1. (Territory includes Home Counties, Southeastern Counties, and East Anglia; also British West Africa.) *Cable address, Sleighing, London.*

London: W. B. GORNALL, Fruit Trade Commissioner, Aldine House, Bedford Street, Strand, W.C.2. *Cable address, Canfrucum.* (Territory—for fresh fruit only—includes United Kingdom, Norway, Denmark, Sweden, France, Holland, Belgium, and Germany.)

London: ACTING ANIMAL PRODUCTS TRADE COMMISSIONER, Canada House, Trafalgar Square, S.W.1. *Cable address, Agrilson.*

Liverpool: A. E. BRYAN, Martins Bank Building, Water Street. (Territory includes North of England, Lincolnshire, North Midlands, and North Wales.) *Cable address, Canadian.*

Bristol: E. L. MCCOLL, Northcliffe House, Colston Avenue. (Territory includes West of England, South Wales, and South Midlands.) *Cable address, Canadian.*

Glasgow: G. B. JOHNSON, 200 St. Vincent Street. (Territory covers Scotland.) *Cable address, Cantracom.*

United States

New York City: D. S. COLE, British Empire Building, Rockefeller Center. (Territory includes Bermuda.) *Cable address, Cantracom.*

Chicago: W. J. RIDDIFORD, Tribune Tower, 435 North Michigan Avenue. *Cable address, Canadian.*

Los Angeles: B. C. BUTLER, Associated Realty Building, 510 West Sixth Street. *Cable address, Canadian.*

Note.—Bentley's Second Phrase Code is used by Canadian Trade Commissioners.

Dr. Doc
Can
T

COMMERCIAL INTELLIGENCE JOURNAL

Vol. LXII

Ottawa, February 17, 1940

No. 1881



Packing Cured Herring at Halifax, Nova Scotia

ISSUED BY AUTHORITY OF
THE HON. W. D. EULER, MINISTER OF TRADE AND COMMERCE
JAMES G. PARMELEE, DEPUTY MINISTER



CONTENTS

	Page
Review of Conditions in the United Kingdom in 1939.....	231
Trade Commissioner in India to Visit Canada	239
Industrial Conditions in the West of England	239
Timber Control in Ireland	241
Conditions in British West Africa	243
Trade of Sierra Leone in 1938	244
Effect of the War on Cyprus Import Trade	247
Netherlands Foreign Trade and the War.....	249
Trade of Argentina in 1939	253
Germany's Position in the Trade of Venezuela.....	258
Germany's Position in the Trade of Colombia.....	261
Canadian Products for South American Markets.....	267
Tariff Changes and Trade Regulations	268
Exchange Conditions in Foreign Countries:	
Brazil	272
Honduras	272
Bolivia	273
Ecuador	274
Japan	274
Foreign Exchange Quotations	275
Trade Inquiries for Canadian Products	276
Commercial Intelligence Service	277

COMMERCIAL INTELLIGENCE JOURNAL

Issued Every Saturday by the Department of Trade and Commerce

PUBLISHED in English and French. Subscription Price for either edition: \$1 per annum in Canada (single copies 5 cents each); \$3.50 outside the Dominion (single copies 10 cents each). Remittances, which may be made by Post Office or Express Orders, or Drafts, or Cheques, payable at par in Ottawa, should be addressed to the King's Printer, Government Printing Bureau, Ottawa.

Vol. LXII

Ottawa, February 17, 1940

No. 1881

REVIEW OF CONDITIONS IN THE UNITED KINGDOM IN 1939

FREDERIC HUDD, CHIEF TRADE COMMISSIONER IN THE UNITED KINGDOM

London, January 11, 1940.—As might be expected, the impact of war conditions has affected profoundly the whole economic and trade life of the country, calling for its transition from a peace to a war footing by the control of all resources, the adaptation of industrial activity and the regulation of both external and internal trade. Thus trading conditions have been revolutionized in the last few months, which has required the abandonment of long-established practices and the solution of current problems in the light of wholly unusual conditions.

The stimulus to industry, as a result of the rearmament program in the months preceding the outbreak of war offset earlier indications that an industrial depression might be imminent, and with the outbreak of war the initial dislocation of trade and industry precipitated a situation of confusion and uncertainty. But the fall in business which followed appears to have been arrested, gauged by such factors as a rise in employment, the maintenance at a high level of the output of basic materials and chemicals, and great activity in all engineering, shipbuilding and textile industries. But the country is still in a period of transition from a peace to a war economy, and the maximum of industrial activity has by no means been reached.

The country's external trade has, of course, suffered severely, and in the first month of hostilities the value of exports fell by nearly 40 per cent. There was some recovery in October, when the value of exports as compared with September rose by 7 per cent and in November over October by 50 per cent. The returns for December indicate the improvement is continuing. Speaking in the House of Commons on December 7, the President of the Board of Trade announced that the level of exports was back to the level of the last month before the war began but still below that of November of the previous year. He said he did not look with complacency on these figures, and they did not lessen the force of the demand that every possible means should be taken to increase exports. The general volume of external trade has, of course, been greatly reduced by the prohibition or regulation of many imports, which is bound up with financial considerations related to the conservation of exchange for the purchase of commodities essential to the war effort and the avoidance of an accumulation of non-sterling indebtedness.

WARTIME CONTROL OF TRADE

In common with all belligerent countries, immediately upon the outbreak of hostilities the United Kingdom Government assumed powers designed to make possible the most effective use of the economic weapon for the prosecution of the war. First among these were the various measures of contraband control, the prevention of trading with the enemy, and the establishment of a blockade to intercept supplies from reaching the enemy through neutral countries.

As regards trade, steps were taken by means of a licensing system to restrict importations into the United Kingdom, chiefly of luxury articles or commodities of which sufficient supplies are available from local sources, with the object of conserving exchange for the purchase of materials necessary to the attainment of the maximum war effort. These regulations have been fully reported upon in the *Commercial Intelligence Journal*. Similarly, the export from the United Kingdom of many commodities was placed under control, in order to obviate shortages of vital products. Side by side with these trade restrictions the Government instituted the regulation of foreign exchange operations by a scheme of supervision by the Bank of England and the Treasury.

In view of the importance of food supplies, a special Ministry was set up to regulate the trade in foodstuffs, to ensure adequate quantities, to standardize supplies, and to arrange for their equitable distribution at the lowest possible prices. A program of rationing such staple products as meat, bacon, sugar and butter is already in operation.

Raw materials have been brought under the control of the Ministry of Supply, which was set up before the war. By this means supplies of vital products, for some of which Canada is a major source of supply, will be mobilized and distributed in the interests of the nation as a whole. The Ministry of Supply also places contracts and makes purchases of armaments and equipment for the Army.

Shipping is another branch of commerce which has been centralized under a Ministry, and shortly all United Kingdom and colonial vessels will be operated entirely under its direction.

As regards purely domestic trade, legislation has been adopted which forbids under penalty the sale of certain articles in common demand at unjustifiably high prices.

EFFECT UPON IMPORTS FROM CANADA

The restriction of imports is a subject of major concern to Canadian exporters and its incidence had an immediate effect upon the volume of Canadian goods imported into the United Kingdom. Products considered as luxuries, such as canned lobsters, tomato ketchup, toilet preparations, toys, calendars and greeting cards, silk hosiery, etc., can no longer be imported, and in the case of such products as leaf tobacco and apples the volume of imports has been regulated or restricted.

It is to be expected that imports from Canada into the United Kingdom of essential foodstuffs, raw materials, armaments and other war supplies will expand to as great an extent as shipping facilities permit, and in the case of bacon a contract has been concluded under which the Ministry of Food will purchase from the Dominion an average weekly amount of 5,600,000 pounds of Canadian bacon and hams. Part of this quantity will be for the fighting forces. The agreement is effective until October 31, 1940, and is subject to renewal. Provision is made for revision in case of lack of cargo space, which is the direct responsibility of the United Kingdom Government, or should Canadian feed costs rise to such a point as would clearly preclude the completion of the contract.

The significance of this arrangement to Canadian producers may be estimated from the fact that in 1937 and 1938 imports of bacon and hams into the United Kingdom from Canada amounted to 1,701,718 cwts. and 1,507,656 cwts. respectively, whereas Canada has undertaken to supply the equivalent of 2,600,000 cwts. in 1940. This would seem to indicate the possibility of bulk purchases under contract of other products from Canada.

RATIONING OF FOODSTUFFS

As indicated in another section of this report, in view of the importance of food supplies a Ministry was set up to regulate the trade in foodstuffs, and such staple products as meat, bacon, butter and sugar are at present being rationed, and other foodstuffs may be similarly regulated as circumstances require. Naturally, in the case of imported foodstuffs, the more that is bought the greater demand is made upon the country's resources of foreign exchange and shipping.

In modern warfare the feeding of the civilian population requires as much organization as the feeding of the Army, and in acquiring and controlling supplies the Government is faced with the problem of ensuring not only fair quantities but fair prices. Moreover, rationing has to be considered as one of the economic instruments with which the war is being fought. Naturally the arguments in favour of the rationing of commodities involve the intensification of efforts to increase home production, and this is already being promoted on a wide scale; reference to this is made in another section of this report. The magnitude of the task may be gauged by the fact that the value of annual food imports totals somewhere in the neighbourhood of £400,000,000 and there are over 46,000,000 people to be fed.

SUPPLIES FOR WAR

The Minister of Supply has been called upon to face the gigantic task of furnishing supplies for the fighting forces, and up to December 19 had placed orders to the value of £234,000,000, exclusive of contracts of a continuing character for war materials. This sum was made up as follows: raw materials, metals, textiles and leather, £73,000,000; guns, small arms, ammunition, £50,000,000; vehicles, £45,000,000; schemes for assisting production, £22,000,000; machine tools, £13,000,000; optical and scientific instruments, £12,000,000; general stores, £10,000,000; and explosives, £7,000,000.

The Minister of Supply gave an assurance that orders for raw materials have been placed at prices ruling before the war. He said that every care is taken to see that value is obtained for the money spent and that never was there such a power of costing, checking prices, inspecting books and controlling establishments as had been given under the Ministry of Supply Act. He said that however great the purchases abroad, a large part of the necessary supplies must be manufactured in this country. In the whole field of production in the United Kingdom there were 75,000 firms employing 10 people or more and another 1,200 in Northern Ireland. There were already on the Ministry's list of contractors 15,000 firms, 2,190 having been added since the outbreak of war. In matters of supply, the United Kingdom's relations with France are of the closest, and joint committees have been set up to ensure a complete pooling of resources. There is similar close co-operation with the Dominions and India. It is anticipated that purchases in Canada will be large, both in deliveries and for the construction of new factories. In the United States, since the lifting of the arms embargo, a purchasing commission has been busily engaged in developing sources of supply in that country.

ECONOMIC POLICY

The co-ordination of economic policy, with a view to securing the maximum war effort and the present organization of the nation's economic resources, has been a subject of public concern and of debate in Parliament. The problems at issue are the concern of several Departments, namely, the Ministries of Supply, Food, Economic Warfare, Shipping, the Department of Overseas Trade, and the Board of Trade, as well as the indirect concern of many other Departments, particularly the Treasury, in view of the close relation of economic policy

to financial considerations. Naturally, the functions of these Departments tend to overlap and in some cases to be competitive. At the present time the co-ordination of economic policy is the responsibility of two committees, one a ministerial committee under the Chancellor of the Exchequer and the other a committee of permanent heads of departments under the chairmanship of an economic adviser to the ministerial committee.

Commenting on the problems involved, the *Times* says:

In some respects there is a direct clash between the proposed principles of economic policy and the means taken to carry them out. The objects of policy are plain enough. We want ample supplies, without which price fixing is unworkable; the distribution of those supplies to individuals and to industry, so that both may live and contribute fully to the national effort; the recognition that both export trade and internal trade have a part to play in that effort; an effective blockade of the enemy combined with full consideration for neutrals; the swift and full application of both men and materials to the development of a colossal military effort, backed by a contented home front. If these objects are to be obtained there must be the most far-sighted planning and the most efficient administration.

AGRICULTURAL POLICY

It is natural that under present conditions the Government should emphasize and encourage a greater domestic production of food. To this end a food-growing campaign has been inaugurated. The Government's plan is to bring 1,500,000 more acres under the plough this year, and farmers have been urged to plough up at least 10 per cent of their grassland. A big effort is also being made to increase the food grown on allotments, and the Government's aim is to bring into cultivation 500,000 more allotments.

Public policy demands that as large an area as possible of newly ploughed land should be used for cereal and potato crops. The period within which grassland must be ploughed to be eligible for the government grant of £2 per acre has been extended to March 13, 1940. The Government states it as their intention that when the time comes to fix the prices of wheat and other crops the prices fixed will be such as to ensure a reasonable return on crops harvested.

While the Minister of Agriculture will retain some measure of control, he has given the county war agricultural executive committees as free a hand as possible. The committees are working through district sub-committees and are being advised by specialist sub-committees on cultivations, horticulture, labour, machinery, live stock and feeding-stuffs, supplies, drainage, insects and pests. The committees will be empowered to take all necessary measures to see that land is well cultivated, and directions have been given for dealing with cases of bad cultivation, after reference to the Minister. There are 60,000 tractors in private hands, and the national reserve is now being released, county committees are undertaking the organization of existing tractors and implements so that maximum usefulness is obtained.

Farmers have a guaranteed market for cattle, sheep and pigs, which will be bought by the Ministry of Food as food rationing begins. The prices to be fixed will have regard to seasonal rises in feeding costs and to any marked rise in the price of feeding stuffs.

FINANCIAL SITUATION

The mobilization of the country's resources and the conservation of exchange for the purchase of essential materials are the considerations controlling contemporary financial policy. The magnitude of the financial effort is indicated by the effort to raise £2,000,000,000 in the course of twelve months and £1,000,000,000 by taxation, which has necessarily required greater financial sacrifices on the part of all sections of the community.

Mr. J. M. Keynes, the economist, has put forward a scheme that has been widely supported, for compulsory saving. The Chancellor of the Exchequer has

declared that the country has now reached a stage of the war when saving in order to lend to the Government must take precedence over private spending, and following this a total of £21,250,000 was raised in two weeks by means of the new Savings Certificates and Defence Bonds, with progressive increases in the succeeding weeks. The returns for the four weeks ended December 23, 1939, show a yield of £20,250,000 gross from sales of National Savings Certificates and £20,550,000 gross from 3 per cent Defence Bonds.

Some idea of the Government's expenditures may be gauged from the fact that the total expenditure on the supply services during the last nine months of 1939 was £657,478,000, of which £350,385,000 was spent in the five months preceding the war and £307,102,000 since the outbreak of hostilities. Obviously, no accurate balance of the national accounts is possible under present conditions, but the deficit to date, excluding defence borrowings of £326,162,000, is £314,361,000, an increase of £64,914,000 as compared with the corresponding period of 1938. Heavy tax increases were imposed by a supplementary budget at the end of September, and the total of the ordinary revenue received into the Exchequer in the nine months April to December, 1939, was £592,903,000 as compared with £538,180,000 in the corresponding period of 1938. Exchequer returns made up to December 23, 1939, show that the excess of ordinary expenditure over ordinary revenue for the financial year to that date amounted to £303,997,000 as compared with £242,497,000 at the end of 1938. This deficit excludes borrowings under the Defence Loans Acts, which at the end of December amounted to £308,162,000 as against only £13,250,000 in the previous year.

The money turned over in 1939 showed a decrease of 7.4 per cent as compared with 1938. During 1939 bills, cheques, etc. having a value of £36,641,873,000 were paid at the London Bankers' Clearing House, the total showing a decrease of £2,968,356,000 as compared with the figure for the previous year. Although the demands on the money markets' resources approximated those of the previous year, the last working day of 1939 could be sharply contrasted with the last working day of 1938, as there was no necessity for any borrowing or discounting at the Bank of England.

There has naturally been a great contraction in new capital issues, as it is not to be expected that large sums of money can be raised for purposes which are not absolutely essential. Private issues have therefore been kept at a minimum, and the contraction in the total of these issues is an indication of the extent to which non-essential new investment has been diverted. Statistics compiled by the Midland Bank for 1939 indicate that the total amount on account of new issues was £66,294,000, the smallest total on record. The issues since the outbreak of war have aggregated only about £1,000,000.

Business failures in 1939 compared favourably with those in 1938, according to *Stubb's Weekly Gazette*, which places the number at 4,648, a decrease of 800 as compared with 1938, which is the seventh annual decrease recorded. The decline in failures in 1939 may be attributed to the stimulus given many businesses by government orders. Some industries now fully occupied were operating at low capacity immediately prior to the outbreak of war. The greater number of the decreases in failures took place after the first week of September.

IRON AND STEEL INDUSTRY

Reports published in *The Economist* at the end of 1939 indicated that in the iron and steel industry activity was being maintained at a very high level and that the flow of raw materials to the industry was satisfactory. The actual output of steel has been so high that it is likely, when statistics are available, that 1939 will establish a record output. Owing to the expansion in domestic requirements, exports in November were again substantially less than in November of the previous year, being valued at £2,221,000 as compared with £3,663,000 and £4,262,000 in November, 1937. Imports, on the other hand,

are running well above last year's level, although part of the increase is probably due to the rise in prices. Thus, between November, 1938, and November, 1939, imports of iron ore and scrap rose from £337,000 to £863,000, and those of iron and steel from £845,000 to £2,229,000. On December 5 the import duties on iron and steel were abolished. Further, on December 18 a licensing system was introduced for imports of iron and steel and many of the raw materials required by the industry.

The engineering industry has already gone far in adapting itself to war conditions. The greater part of the plant is already on war work and, as a result, exports and civil work for the home market have had to be reduced. As in the case of iron and steel, exports have decreased, but imports have been well maintained.

Production of automobiles for the home market has been approved up to a certain percentage of the 1938 output, and production for export is being encouraged by the Government. The motor industry is therefore arranging with the various controls for the supply of requisite materials. The Society of Motor Manufacturers and Traders is taking steps to inform overseas markets of the possibilities of supply from this country in the hope that the export trade in cars will eventually exceed the pre-war level. Production for the Services naturally continues to increase. The society announces that British motor factories exported 300 vehicles on each working day during the third month of the war. This was an increase of 26 per cent over the figure for November, 1938—a noteworthy achievement in view of the pre-occupation of the motor industry with war production, the claims upon raw material for war purposes, and reduced shipping facilities.

BUILDING INDUSTRY

War conditions have had a far-reaching effect upon the building industry, and the present outlook is giving grave concern to the various trades depending upon it. There is some apprehension that the fullest use is not being made of the man-power, organization and material resources of the industry and that, as a result, both the national effort and the industry are suffering. The embargo imposed by the Treasury on loan expenditure by local authorities immediately limited activity in the trade engaged in housing schemes and other public works, and control of some of the materials essential to the industry brought the building program with the exception of government works, to a standstill.

The great demand for timber under government contracts created an immediate shortage of timber for general building purposes, but since that time there have been some adjustments as a result of the utilization of substitutes for timber in hutments, such as bricks, concrete and asbestos cement sheeting. Various Departments of Government are also assisting the situation by letting contracts for smaller amounts, thus providing work for a wider range of the smaller contractors, many of whom, unlike larger firms that have obtained government contracts, have practically ceased to operate. In addition to these factors, financial houses are not favourable under present conditions to investment in building ventures, and the building societies themselves are not now making advances for domestic construction purposes.

In view of the fact that the organization and facilities of the building industry should be regarded as one of the nation's resources, pressure has been brought to bear upon the Government by organizations representative of the building and allied trades to formulate some policy with regard to the future of the industry, particularly because of the part it would be called upon to play following any mass air attacks and in the resumption of normal housing and other building activities after the cessation of hostilities.

The last available returns show that the volume of employment in the building industry in November was a little above normal for that time of

year, due no doubt to government construction work incidental to the war, but at the end of 1939 the total number of unemployed in the whole industry was 30,000 less than at the end of 1938. Taking the returns from the building and public works industries together, the decline in the rate of employment was nearly 5 per cent. The problem of the future of the building industry is now engaging the attention of various Departments of the Government.

TEXTILE INDUSTRIES

Raw cotton consumption continues to increase, and at the end of 1939 spinning production was about 85 per cent of capacity according to reports published in *The Economist*. Conditions in the industry have therefore improved, but the trade in yarn and piece-goods has declined, as spinners were not able to obtain cover for cotton futures, and manufacturers have been unwilling to sell because of the difficulty of getting yarn. There has been a good demand for piece-goods for the home trade, and extensive contracts have been concluded with the Government. Buying for export has naturally been irregular. Difficulties in connection with raw materials have checked production of linen, with the result that spinners have been unable to quote for future delivery, as they were not able to determine what quantities of raw material they can count upon or at what prices. Meantime the industry is engaged largely with government orders.

The official list of export prices for wool, tops and noils was issued in December last, and apparently led to some confusion in the trade. Tops which were acquired by the Control at requisition prices were re-allocated at a somewhat higher price for the home trade and at a much higher price for export. Production for government contracts continues steadily, but the civilian trade is naturally affected by the uncertain level of prices. Meantime the Minister of Supply has received a deputation from the British Wool Federation on the subject of the difficulties of the control scheme, with which there appears to be some dissatisfaction.

EMPLOYMENT

Returns of the Ministry of Labour and National Service show that on December 11 the numbers of unemployed persons on the registers of employment exchanges in Great Britain were 1,170,798 wholly unemployed, 143,065 temporarily stopped and 47,662 normally in casual employment, a total of 1,361,525. This total was 41,063 less than on November 13, 1939, and 469,847 less than on December 12, 1938. The total on December 11, 1939, comprised 897,984 men, 35,418 boys, 377,168 women, and 50,955 girls.

There were reductions between November 13 and December 11 in the numbers unemployed in the distributive trades, hotel and boarding-house service; dock, harbour, etc., service; cotton industry; printing and bookbinding; the entertainment, sport, etc., industries; motor vehicle, cycle, and aircraft manufacture; engineering; shipbuilding and repairing; and the road transport and shipping services. On the other hand unemployment increased for seasonal reasons in agriculture, horticulture, etc., and the building industry, and there was also some increase, due to temporary causes, in the numbers suspended from work in the coal-mining industry.

There is some perplexity as to why there should continue to be so high a percentage of unemployment when the control of the major industries has passed into the hands of the Government or its agencies and when the Ministry of Labour is also responsible for the recruitment of workers in national service.

COST OF LIVING AND PRICES

It is natural that wartime conditions should result in a fairly rapid rise in the cost of living, and since the beginning of the war the United Kingdom cost of living index figure has risen by 18 points, or 11.5 per cent. The Ministry

of Labour and National Service announces that on December 1 the figure was 73 per cent above the level in July, 1914, as compared with 69 per cent on November 1, 1939. The rise of four points during the month (from 169 to 173, the figure for 1914 being 100) is equivalent to nearly 2·5 per cent. For food alone, the index figure on December 1 was 57 per cent above the level of July, 1914, showing a rise of 3 points or about 2 per cent, since November 1, when the figure was 54 per cent above the level of July, 1914. The rise in the index figure for food was due mainly to increases in the prices of eggs, fish, bacon, and cheese, the increases for products other than food being chiefly in clothing, coal, and gas.

In the closing months of 1939 wholesale prices continued to move upward, the *Times* index number showing a gain of 4·9 per cent for December as compared with the preceding month and 25·2 per cent as compared with December of 1938. The figure for December 30, 1939, was 142·5 (1913=100), for November 29, 1939, it was 135·8, and for December 30, 1938, the figure was 113·8. During the first eight months of 1939 the level of prices rose by only 0·6 per cent, whereas in the last four months, covering the war period, the increase was 24·5 per cent. The December index of 142·5 exceeds that of any month for over 10 years, the previous higher figure being 144·4 in June, 1928.

War conditions must inevitably dislocate supplies, due to shortages and higher transportation costs, but in interpreting the figures indicating an increase in the cost of living in terms of the individual household budget some allowance may be made for wartime changes in habitual purchasing. The index is necessarily based on the assumption of an unchanged family diet, but changes in price alone may lead the housewife to choose alternative articles, replacing an article which has become more expensive or scarce by something else. It is a general presumption that articles which have risen in price are those in short supply. In the case of butter, for instance, the national consumption has fallen. The alternative is margarine—a much cheaper article—supplies of which have been increased to fill the gap.

The Prime Minister has declared that it would be a mistake to tie up wages with the cost of living, because to do so could only give a violent impetus to the vicious spiral of rising prices, rising wages and rising costs. The Prices of Goods Act is designed to prevent profiteering in commodities, and the rationing system has been introduced to ensure that everyone shall share alike in the necessary foodstuffs, of which the supply falls short of the demand.

OVERSEAS TRADE

As already indicated elsewhere in this report, the United Kingdom's overseas trade has been greatly affected by war conditions; but the returns for the month of December show that a steady improvement is now in process, the increase in exports in December as compared with November being 7·5 per cent, and for the first time since the war the total was higher than in the corresponding month of 1938. Imports rose by 3·1 per cent.

The value of the country's total exports in 1939 was £438,806,000 as compared with £470,755,000 in 1938, a decrease of 7 per cent which took place following the outbreak of war. The total value of imports in 1939 was £885,944,000 as compared with £919,509,000, a decrease of 4 per cent. There was a considerable measure of recovery in the exports of manufactured goods in December as compared with November and in the imports of food. As official returns of import and export trade by commodities and countries are no longer published, it is impossible to furnish the usually available details relating to Anglo-Canadian trade.

The excess of imports over exports in 1939 was £401,213,000 as compared with £387,229,000 in 1938. The adverse balance of trade was rising in the months immediately preceding the outbreak of war, but the visible adverse balance was no greater in December than in November, which would indicate that the rise in the adverse balance has been checked.

The Secretary of the Department of Overseas Trade has announced the appointment of a committee consisting of representatives of the Chambers of Commerce in a number of the most important industrial centres and of the Federation of British Industries to meet regularly for the investigation of difficulties and the encouragement of export trade in collaboration with the Department of Overseas Trade.

TRADE OUTLOOK FOR 1940

Many imponderable factors make any predictions regarding trade prospects hazardous if not impossible. Representatives of the Government and industry emphasize the importance of reviving export trade, particularly as a means of meeting costs of raw materials and war supplies. Indeed, there is general recognition that the maintenance and expansion of export trade is vital to the future. In a New Year message the Federation of British Industries says:

British industry can face 1940 with confidence. Immediately before the war trade reached a high level of activity and, despite the inevitable difficulties following on the transition from peace to wartime organization, the export situation is improving. The task is twofold, first the supplying of the needs of civil defence and the fighting forces, and secondly, the maintenance as far as possible of home and overseas trade. The vigorous functioning of the export trade is vital. Service orders must, of course, take priority, but nobody doubts the significance of the economic weapon by which Germany's previous markets can be won and our own existing markets held. To fulfil this task manufacturers must be able to rely on a continuous flow of the necessary raw materials and on the provision of plant and man-power and reasonably stable prices.

TRADE COMMISSIONER IN INDIA TO VISIT CANADA

Mr. Paul Sykes, Canadian Trade Commissioner at Calcutta, is returning to Canada early in the coming summer, when he will make a tour of the Dominion. Canadian firms wishing to have Mr. Sykes make investigations in their behalf before his departure from India should communicate with him as early as possible, preferably by airmail owing to the length of time required for delivery of letters by surface mail. Mr. Sykes' address for letters is P.O. Box 2003, Calcutta.

INDUSTRIAL CONDITIONS IN THE WEST OF ENGLAND

E. L. McCOLL, CANADIAN TRADE COMMISSIONER

Bristol, January 5, 1940.—General improvement in employment in the Birmingham district, together with higher wages, has resulted in greater spending. The consequent increase in retail activity has immediately led to expansion in the manufacturing industries which supply this trade. Sales of better-quality food products have, perhaps, been first affected, closely followed by those of wearing apparel and jewellery. The present activity in the jewellery trade has seldom, if ever, been equalled. Particular interest centres in military badges, cigarette cases, lighters, wrist watches, and rings. Prices show a hardening tendency in sympathy with the increased cost of labour and material.

HARDWARE TRADES

Air raid precautions and black-out measures have so stimulated the demand for some staple commodities, such as corrugated iron, sandbags, timber and cement, that it is practically impossible to obtain supplies except at prices which many purchasers consider to be excessive.

Many well-known lines of shelf hardware are not obtainable, but builders and other consumers, who at first accepted substitutes reluctantly, are now buying freely. Merchants, therefore, stock more readily any serviceable line, confident that it will be bought by the builder or retailer, who is not now as conservative or

discriminating as formerly. Wholesalers have departed from their accustomed channels of trade in their wide search for goods, a policy which has had a beneficial effect upon the trade in general. The variety in style and quality of staple goods has multiplied, while many new gadgets have been introduced. Products formerly obtained from Germany and countries which are now under German occupation have been entirely replaced by British-made goods.

CONSTRUCTIONAL ENGINEERING

The more important engineering firms are engaged on work of national importance, and nearly all those of lesser size are gradually turning to production for war purposes. The shortage of materials practically precludes the acceptance of other than government orders, and the smaller concerns which are unable to undertake government contracts find it impossible to obtain other business.

INDUSTRIAL MACHINERY

The supply of industrial machinery is not equal to the demand, and long-dated deliveries are the practice in many cases. The necessity for equipping new factories for war work has greatly increased the demand.

The Controller of the Machine Tool Department of the Ministry of Supply has directed attention to the importance of the machine tool industry in the successful prosecution of the war. While commending the industry for its ready co-operation, he said that, despite expansion in production, the country still had to rely on imports from the United States.

MISCELLANEOUS PRODUCTS

Retail prices of practically all raw and manufactured products have advanced. With regard to manufactured commodities, price increases are due to several factors, among which are the higher costs of raw material and labour. The consumption of some articles has not increased, but reduction in supplies has brought about higher prices. On the other hand, the demand for certain goods has more than doubled and in some cases has trebled.

Requirements for the Defence Forces in training camps and in France include large supplies of small heating stoves and cooking utensils. Added to the difficulty of meeting the increased demand for hollow-ware is the elimination of aluminium in its manufacture. All stocks of this material have been reserved for aeroplane production. The black-outs have increased the demand for torchlight batteries beyond any immediate hope of supply.

BICYCLES

Due to gasoline rationing, the demand for bicycles had more than doubled up to the time the winter season set in. At present there is a lull, but with the coming of spring this demand will be revived. Many prosecutions for not having front and rear lights on cycles are met with the defence that these are not procurable. One wholesaler states that the steel used for making bicycle chains is of a quality required for certain classes of armament and that supplies in the hands of manufacturers have been requisitioned for defence work. Manufacturers of bicycles, who have been favoured with a big export trade to Australia, New Zealand, and South Africa, where there is a continuous demand for many thousands of machines, state that they are unable to obtain adequate quantities of raw materials.

NEW INDUSTRIES

In order to supply products formerly imported from Germany and German-occupied territory, many openings are afforded for industrial development in

the Midlands, which is an important centre for industrial enterprise. Unfortunately full advantage cannot be taken of all the opportunities offering, due to the scarcity of raw materials, machine tools, and skilled craftsmen, as the supply of these essentials has not kept pace with the demand.

DRIVE FOR GREATER EXPORTS

The Birmingham Chamber of Commerce is championing the appeal of local industry for increased exports. For many reasons a large part of Britain's overseas trade has been cut off. Germany, the territories under German occupation, and some parts of adjacent countries are inaccessible. To counteract these losses, advantage must be taken of new opportunities, chief among which are the overseas markets which Germany hitherto enjoyed. There is now ample evidence of a dynamic effort along these lines. Successful co-ordination in the measures undertaken by both the Government and producers towards increasing export trade are meeting with universal support.

It has been suggested that the question of the high cost of raw material, due to increased marine insurance, shipping charges, wages and delays in receiving material, should be given consideration with the object of extending to the exporter some sort of financial assistance which would enable him to compete successfully in foreign markets. Some form of state aid is suggested for markets contiguous to Germany whence goods assisted by subvention are shipped which would make up the difference between the German and British selling prices. By this method, it is claimed, new markets would be obtained which had not hitherto been enjoyed by British exporters, and once their goods were introduced and a demand created, overhead expenses would drop and profits increase, after which much of the trade could stand on its own feet. Not only those markets which adjoin Germany but also those overseas with which she has lost contact should not be allowed to go by default. It is considered by many of those who champion export trade that government financial assistance in some cases would be of benefit to the nation in years to come by reason of the fact that the markets newly acquired by such a plan would be retained by the efficient trading practice for which Midland exporters are famous.

TIMBER CONTROL IN IRELAND

JAMES CORMACK, CANADIAN TRADE COMMISSIONER

Dublin, January 8, 1940.—The timber importers in Ireland were fairly well stocked at the outbreak of war, or shortly thereafter, but realizing that these stocks would be difficult to maintain as the war proceeded, owing to the growing restrictions of normal trading facilities, the Government suggested that one central buying committee be formed to control imports and their distribution to the registered timber importers. However, it was later decided to form three non-profit buying companies to control imports under the Emergency Powers (Importation of Timber) Order, 1939, which came into effect on January 1, 1940.

OPERATION OF CONTROL

The Government did not wish to upset in any way the local industries engaged in sawing, planing, and finishing lumber, so the Order was confined, generally speaking, to imports of all rough sawn timber. It has now created three non-profit-making companies: Timber Importers, Limited, Dublin; South of Ireland Timber Importers, Limited, Cork; and West of Ireland Timber Importers, Limited, Galway, to whom alone licences are granted by the Minister of Supplies to import certain classes of timber, viz.:—timber in the piece which has undergone one or more of the following processes and no other,

namely, sawing; planing on one or more sides, tonguing, grooving, matching, V-jointing, or V-sheeting. It does not include plywood (including laminboard, blockboard and batten board) veneered woods, veneers or sleepers. Although the Order does not so state, it is understood that certain other timber items will not come under its scope, such as telegraph poles, logs (for match-making), certain kinds of hardwood for the furniture trade, and generally such lumber as is not normally handled by the large importing firms for distribution in this country.

IMPORT TRADE

In practice the new timber control is not expected to be so inelastic as the majority of similar systems, because the Government is not represented on personnel of the buying companies. However, the companies will be in close touch with the Government, and it is hoped that they will thus facilitate the import and equitable distribution of timber throughout the country. Prices will be a subject for the investigation of the Prices Commission if any complaint is lodged. Much of the Baltic and Norwegian lumber trade to Eire has ceased, most of it going to the United Kingdom. Russia cancelled all her Irish timber contracts immediately following the outbreak of war, giving no reason except the fall in sterling exchange, in which payment was provided for in the contracts. Canadian trade, however, is flourishing within the limits of the Dominion's present powers to export. The American trade (mostly in hardwood) direct with Irish ports has practically stopped since the United States war-zone embargo, and the local furniture trade, which formerly accounted for much of this business, is now adversely affected. Furniture manufacturers were also accustomed to draw on supplies from conveniently situated foreign-bought stocks in the United Kingdom, but export and import control is now making this source of supply difficult for Irish importers, more especially since United Kingdom timber merchants and agents are further restricted in their dollar purchases by exchange control regulations in England.

IMPORT STATISTICS

The Government of Eire has ceased the compilation and publication of statistics of imports by countries of origin since August last, and, accordingly, it is not possible to give up-to-date details of Irish timber imports after that time. Imports decreased sharply during 1938 because of the slump in the building trade in Eire following the long-continued builders' strike which occurred in the boom year 1937.

The following figures will, however, give some indication of the trade and of Canada's participation therein:—

Imports into Eire of Wood and Timber and Manufactures Thereof

Raw or simply prepared—	Quantity		Value	
	1937	1938	1937	1938
Sawn:	Cub. Ft.	Cub. Ft.	£	£
Hard (mahogany, oak, etc.)	426,550	418,970	95,341	99,058
Soft (fir, pine, spruce, etc.) . . . . .	.....	.....	.....	.....
	Loads	Loads		
Boards and planks not exceeding 1 inch in minimum thickness	60,668	39,993	286,860	184,343
Deals, planks and boards, n.e.s.	172,479	110,446	831,194	527,866
Other sorts	9,157	6,396	51,650	37,500
Floorings	561	550	9,492	12,863
Other planed or dressed	205	149	2,408	1,922
Sleepers	26,097	16,513	133,448	80,509
Staves	1,941	3,739	39,367	72,261
Other sorts . . . . .	.....	.....	34,574	24,142

	Quantity		Value	
	1937	1938	1937	1938
Manufactured or prepared—	Cub. Ft.	Cub. Ft.	£	£
For butter boxes of pyramid type	8,136	7,640	78,624	81,294
	No.	No.		
Casks, kegs and barrels	45,990	36,144	30,238	10,926
	Cwts.	Cwts.		
Bedsteads, wire mattresses, and parts	1,140	1,190	3,563	3,801
Furniture and parts, new . . . . .	.....	.....	36,518	36,641
Furniture and parts, second hand . . . . .	.....	.....	18,406	20,257
Builders' woodwork (window frames, doors, etc., and component parts) . . . . .	.....	.....	9,245	8,010
	Gross	Gross		
Tool handles	3,951	3,100	10,561	8,124
Plywood . . . . .	.....	.....	78,752	85,400
Mouldings wholly of wood . . . . .	.....	.....	6,553	6,419
Other sorts . . . . .	.....	.....	80,773	104,546
Total value			1,837,567	1,405,882

The extent of Canada's participation in the foregoing imports is shown in the following table:—

Imports From Canada

	1937	1938
Sawn wood, soft (deals, planks and boards)	£93,036	£65,941
Sawn wood, other sorts of soft wood	12,475	5,477
Sawn wood, hard, mahogany	6,995	5,165
Plywood	3,555	3,071
Manufactures of wood and timber	2,247	2,177
Other wood and timber	457	751

CONDITIONS IN BRITISH WEST AFRICA

H. L. BROWN, ASSISTANT TRADE COMMISSIONER

London, January 8, 1940.—It is still too soon to estimate the full effect of the war on the economy of the British West African colonies. The Governor of Nigeria, has stated that "the war has meant to us not only a heavy increase in expenditure, chiefly, of course, in military expenditure, but also a heavy drop in receipts, and our anticipated modest deficit of about £160,000, for which we budgeted at the beginning of this financial year, is going to be something very much nearer £1,000,000". While this comment was made in reference to government finance, it clearly indicates that Nigeria, like the other British West African colonies, has not recovered from the seriously low ebb of business in 1938 and 1939.

IMMEDIATE EFFECT OF THE WAR ON TRADE

As pointed out in an official statement by the United Kingdom Government, "before the war, world supplies of cocoa were tending to exceed the demand, with the result that heavy stocks had accumulated and prices remained low. The war has involved the disappearance of the important Central European market." It is officially stated also, that Germany and countries in German occupation were buyers of West African produce to the extent of 100,000 long tons of cocoa and 2,000,000 long tons of vegetable oils.

This decrease in demand resulting from the war, has been accompanied by increased costs of imported goods as a result of diversion of manufacturing capacity to war production, and by increased freight, insurance and other costs. The immediate general effect, therefore, would appear to be in the direction of cramping and restricting trade.

COCOA CONTROL

In this connection the efforts being made to regulate the cocoa trade are important. The Colonial Office announced on November 13 that the United Kingdom Government will purchase during the season 1939-40 the whole cocoa crop of the Gold Coast and Nigeria. A central organization has been set up in London under the United Kingdom Ministry of Food, and local controllers have been appointed in the Gold Coast and Nigeria. The actual purchase of the cocoa is undertaken by the firms and individuals engaged in the trade, all of whom will act, under licence from the colonial government concerned, as agents for the Cocoa Control. Each shipper is allocated a buying quota which, in the case of smaller firms and individuals is the same tonnage as in 1938-1939, and in the case of the large firms is a percentage of the bulk of the crop. The West African governments have prohibited the purchase of cocoa except at prices fixed by the Control. Prices have been fixed on the basis of 8s. 6d. a load, which is equal to 20s. 6d. per 112 pounds f.o.b. Gold Coast and 19s. 6d. f.o.b. Nigeria.

GENERAL BUSINESS CONDITIONS

The institution of cocoa control has brought forth a great deal of comment pro and con, but there seems to be justification for the feeling that the certainty of disposal of the entire crop at a fixed price should engender a much-desired stability in business conditions throughout the Gold Coast and in southwestern Nigeria. Even though the price is not all that had been hoped for in some circles, it would appear to be fair under present conditions and to give the farmer reasonably adequate remuneration for growing and preparing the cocoa.

The cocoa crop in the Gold Coast is estimated at 250,000 long tons, which means that upwards of £5,000,000 will be placed in circulation by the end of the season. In spite of the various factors offsetting the utility and buying power of this sum, it may be said that business conditions in the Gold Coast and southwestern Nigeria should be fair to moderately good.

The position of oil seeds is not yet clear. It is therefore difficult to hazard any comment on possible developments in central and eastern Nigeria and Sierra Leone, which depend on palm oil and kernels, or in northern Nigeria and the Gambia, which depend on groundnuts (peanuts). No great improvement in business conditions has been noted in these areas; but there may be a change for the better when some measure of stability in oil prices has developed and when demand tends to offset the interruption of purchases by Central Europe.

TRADE OF SIERRA LEONE IN 1938

H. L. BROWN, ASSISTANT TRADE COMMISSIONER

London, January 16, 1940.—The trade of Sierra Leone, suffered a setback in 1938, as was anticipated when world prices for palm products dropped at the end of a year of great activity. The total value of imports in 1938 was £1,500,342, a decrease of over 18 per cent as compared with £1,839,582 in 1937. The value of domestic exports was £2,344,195 as compared with £2,819,977 in 1937.

IMPORTS BY COUNTRIES AND CLASSES

The United Kingdom still obtains about 69 per cent of the import business, while other British countries are credited with about 17 per cent. The distribution of the import trade by countries and by classes of goods is shown in the following summary:—

Imports into Sierra Leone in 1938

	Food, Drink, Tobacco	Raw Materials	Manufactured Articles	Total Merchandise
Total.....	£265,127	£142,087	£926,103	£1,367,038
United Kingdom	111,476	126,476	632,945	904,533
Other British Empire	88,688	4,883	162,744	256,315
Trinidad	79	.....	77,109	77,188
India	1,325	.....	60,777	62,102
Canada	42,138	4,057	5,326	51,521
Hongkong	4	.....	16,468	16,472
Nyasaland	12,581	.....	.....	12,581
United States.. . . .	20,429	9,684	57,247	87,360
Germany	2,655	10	20,529	23,214
Japan	570	.....	17,514	20,084
France.. . . .	3,828	63	5,584	9,475
French Guiana.. . . .	5,642	57	2,093	7,792
Italy	5,512	.....	2,178	7,690
Czecho-Slovakia	2,049	.....	5,091	7,140
Netherlands	4,340	.....	2,104	6,444
Belgium	415	.....	5,976	6,391

Parcels post importations and those of animals not for food are not shown separately but are included in the total.

PRINCIPAL IMPORTS

The principal commodities imported into Sierra Leone are shown in the following notes, with the principal countries of origin. Details are given of those commodities of particular interest to Canada. Quantities are in imperial measure (e.g. cwt. of 112 pounds) and values are in pounds sterling.

FOOD

Ships' Biscuits.—1,809 cwt. (£3,013): United Kingdom.
Butter.—594 cwt. (£5,123): New Zealand, Denmark, and United Kingdom.
Cheese.—254 cwt. (£1,526): United Kingdom and others.
Confectionery.—891 cwt. (£3,393): United Kingdom, also Syria.
Fish, Canned.—1,396 cwt. (£4,251): Canada, 460 cwt. (£1,279); Portugal, 312 cwt. (£1,192); United States, 251 cwt. (£684); Japan, 258 cwt. (£550), and others.
Fish, Dried, Salted, etc.—365 cwt. (£552): United Kingdom and Norway.
Fish, Fresh.—28 cwt. (£125): Canada and United Kingdom.
Fruit, Fresh.—£1,453: United States, South Africa, Spain, Madeira.
Flour, Wheaten.—29,901 cwt. (£24,031): Canada, 27,773 cwt. (£22,025); United Kingdom, 1,999 cwt. (£1,908); all others, 129 cwt. (£98).
Fruits, Jams, Jellies, etc., Canned.—31,921 lbs. (£1,001): United Kingdom, 18,140 lbs. (£626); United States, 5,790 lbs. (£168); Canada, 5,814 lbs. (£150).
Meats: (a) Beef and Pork, Pickled and Salted.—1,513 cwt. (£2,104): United Kingdom and Denmark.
 (b) *Meat, Canned*: 338 cwt. (£1,584): United Kingdom, Denmark, Argentina.
 (c) *Meat, Fresh*.—1,101 cwt. (£3,677): United Kingdom mainly.
 (d) *Meat, Smoked or Cured*.—507 cwt. (£3,312): United Kingdom and Denmark.
Milk: (a) Condensed, Unsweetened.—2,943 cwt. (£8,092): United Kingdom mainly
 (b) *Condensed, Sweetened*.—243 cwt. (£465): United Kingdom only.
 (c) *Cream*.—33 cwt. (£174): United Kingdom only.
 (d) *Powder, Unsweetened*.—75 cwt. (£737): Canada, 64 cwt. (£615).
 (e) *Preserved, n.o.p., Unsweetened*.—88 cwt. (£261): Switzerland.
Oils, Edible.—36,893 gals. (£5,079): United Kingdom mainly.
Pickles, Sauces and Condiments.—£850: United Kingdom, £524; Syria, £111; Canada, £95.
Provisions, n.o.p.—£6,894: United Kingdom mainly; Canada, £101.
Salt, not Table.—66,201 cwt. (£17,401): United Kingdom entirely.
Sugar.—17,654 cwt. (£10,080): United Kingdom and Czecho-Slovakia.
Vegetables, Canned.—3,406 cwt. (£6,312): Italy, 2,987 cwt. (£5,067); United Kingdom, 267 cwt. (£804), and others.
Vegetables, Fresh.—£9,203: Madeira, Netherlands, and others.

DRINK

Beer.—152,750 gals. (£28,124): United Kingdom mainly.
Brandy.—807 gals. (£1,245): France mainly.
Gin.—2,658 gals. (£1,530): United Kingdom and Netherlands.

DRINK—*Concluded*

Rum.—1,588 gals. (£833): Jamaica mainly.

Whisky.—5,623 gals. (£6,842): United Kingdom.

Wines.—48,951 gals. (£11,472): South Africa, also Spain, Netherlands, France, and others.

TOBACCO

Unmanufactured Tobacco.—1,144,237 lbs. (£48,701): United States, 417,669 lbs. (£17,613); Canada, 355,498 lbs. (£17,177); Nyasaland, 323,071 lbs. (£12,581); South Africa, 47,407 lbs. (£1,302).

Cigarettes.—£17,953: United Kingdom only.

WOOD

Lumber, Sawn or Hewn, Wholly or Partly Dressed.—1,066,380 ft. b.m. (£15,265): United States, 615,635 ft. b.m. (£9,419); Canada, 327,724 ft. b.m. (£4,057); Norway, 58,971 ft. b.m. (£628).

Casks, Shooks, Staves and Headings.—£22: United Kingdom.

Wood, Manufactured, n.o.p.—£2,764: United Kingdom and Gold Coast.

APPAREL

Boots and Shoes, Leather.—21,106 pairs (£6,320): United Kingdom mainly.

Boots and Shoes, Rubber.—117,730 pairs (£8,898): United Kingdom and Hongkong.

Haberdashery and Millinery.—£2,145: Czecho-Slovakia, Japan, and others.

Headgear.—£10,006: United Kingdom, Japan, Hongkong, Germany.

Shirts and Singlets.—£11,746: Hongkong and United Kingdom.

TEXTILES

Cotton Yarns, Piece-goods, etc.—£197,565: United Kingdom mainly.

Artificial Silk Piece-goods.—£6,931: United Kingdom mainly.

Woollen Manufacturers.—£9,952: United Kingdom mainly.

IRON AND STEEL

Buckets, Pails and Basins.—5,606 doz. (£1,818): United Kingdom, Japan, Belgium, Germany.

Bars, Rods, Angles, Shapes and Sections.—£3,294: United Kingdom.

Beams, Girders, Joists and Pillars.—£1,013: United Kingdom.

Corrugated Iron Sheets.—286 tons (£5,788): United Kingdom.

Plates and Sheets.—£9,585: United Kingdom.

Other Building Parts.—£27,610: United Kingdom mainly.

Other Iron and Steel Manufactures.—£31,870: United Kingdom and others.

Steel Ties, Plates and Spikes.—£1,130: United Kingdom.

Rails.—£3,694: United Kingdom, also Belgium.

MACHINERY AND EQUIPMENT

Electrical and Telegraphic Apparatus: (a) Radios and Parts.—£1,169: United Kingdom, Netherlands, and United States.

(b) Other Wireless Apparatus.—£7,801: United Kingdom and Germany.

Electrical Articles and Apparatus, n.o.p.—£4,809: United Kingdom mainly.

Implements and Tools: (a) Agricultural.—£188: Germany and United Kingdom.

(b) Artisans.—£3,049: United Kingdom mainly.

(c) Others.—£5,527: United Kingdom mainly.

Instruments, Scientific.—£2,060: United Kingdom mainly.

Machinery: (a) Agricultural.—£87: United Kingdom.

(b) Electrical.—£43,316: United Kingdom mainly.

(c) Industrial.—£2,852: United Kingdom, also Germany.

(d) Marine.—£4,738: United Kingdom mainly.

(e) Mining.—£64,341: United Kingdom and United States.

(f) Sewing.—£1,016: United Kingdom.

(g) Typewriters.—£1,261: United Kingdom, also United States, and Germany.

(h) Water-Boring and Pumping.—£5,665: United Kingdom.

(i) Other Kinds.—£5,401.

VEHICLES AND PARTS

Automobiles.—137, £21,400: United Kingdom, 92, £15,439; Canada, 36, £5,006.

Locomotive Parts.—£8,244: United Kingdom only.

Railway Cars and Parts.—£17,981: United Kingdom only.

Rubber Tires.—2,667, £3,787: United Kingdom mainly.

Rubber Tubes.—2,956, £440: United Kingdom.

MANUFACTURED GOODS

Bags and Sacks.—882,682 (£19,355): India.
Bags, Trunks and Valises.—£2,729: United Kingdom mainly.
Beads.—£2,235: United Kingdom, also Germany.
Blacking and Polishes.—£1,278: United Kingdom.
Blue.—£1,101: Belgium, Germany, France, and United Kingdom.
Brooms and Brushes.—826 doz. (£486): United Kingdom mainly.
Candles.—£2,178: United Kingdom only.
Cement.—8,139 tons (£21,454): United Kingdom.
Calcium Carbide.—362 cwt. (£330): France, United Kingdom, Canada, and others.
Chemicals, Other.—£5,243: United Kingdom mainly.
Cordage and Twine.—1,300 cwt. (£4,197): United Kingdom mainly.
Clocks and Watches.—£1,033: Switzerland, Germany and Japan.
Cutlery.—£1,056: Germany and United Kingdom.
Lamps and Lanterns.—1,488 doz. (£1,436): Germany, Sweden, United Kingdom, and Japan.
Matches.—£4,438: United Kingdom and Sweden.
Medicines and Drugs.—£17,463: United Kingdom, also United States, and Germany.
Paints, Colours, etc.—£7,191: United Kingdom mainly.
Paper.—£7,786: United Kingdom mainly.
Perfumery.—£5,402: United Kingdom, also Germany and Japan.
Petroleum Products.—£129,161: Trinidad and United States.
Rubber Goods (except Tires and Tubes).—£500: United Kingdom.
Soap.—£7,127: United Kingdom.
Stationery.—£6,114: United Kingdom.
Toys and Games.—£1,487: United Kingdom, also Japan and Germany.
Umbrellas and Parasols.—£4,001: United Kingdom and Hongkong.

DISPLACEMENT OF GERMAN TRADE

During the years 1934 to 1937 Germany obtained about 2·5 per cent of the total import trade of Sierra Leone, but this decreased in 1938 to 1·5 per cent. The total value in 1938 was £23,214. The principal products concerned were: beer, £638; salt, £224; wines, £1,091; haberdashery and millinery, £216; headgear, £1,097; cotton goods, £257; cotton blankets, £303; cutlery, £405; tools, £779; machinery, £1,128; buckets, pails and basins, £244; metals, n.o.p., £2,491; automobiles, £540; beads, £491; earthenware, £1,333; lamps and lanterns, £977; lamp chimneys, £310; medicines and drugs, £1,447; and sundry other items.

EFFECT OF THE WAR ON CYPRUS IMPORT TRADE

HENRI TURCOT, CANADIAN TRADE COMMISSIONER

Cairo, December 28, 1939.—With the outbreak of war, trading between Cyprus and enemy countries was prohibited, as a result of which the products previously imported from Germany and countries in enemy occupation were purchased elsewhere.

IMPORTS FROM ENEMY COUNTRIES

According to official statistics, imports into Cyprus from enemy countries in 1938 and 1937 respectively were as follows: Germany, £141,600 and £153,534; Austria, £18,474 and £24,014; Czecho-Slovakia, £42,504 and £32,312; and Poland, £7,933 and £5,341. Combined imports from those countries stood therefore at £210,511 and £215,201 in 1938 and 1937 respectively out of total imports valued at £2,267,204 and £2,219,463 in the respective years, or slightly less than 10 per cent in each year.

DETAILS OF IMPORTS

Imports from Poland into Cyprus in 1938 comprised the following items: cotton manufactures, £2,922; iron piping, £131; paper, other, and paper goods, £95; wood manufactures, £2,734; woollen manufactures, £125; and miscellaneous, \$1,926.

Details of imports from Germany, Austria and Czecho-Slovakia are shown in the following table:—

Imports From Germany, Austria, and Czecho-Slovakia, 1938

	Germany	Austria	Czecho-Slovakia
	£	£	£
Beer and ale	409	.....	.....
Blackening and polishes	42	.....	.....
Boots—			
Leather.. . . .	.....	.....	1,385
Canvas . . . . .	.....	.....	1,252
Other.. . . .	.....	.....	1,190
Brooms and brushes	240	.....	.....
Chemicals.. . . .	6,413	53	46
Clocks and watches	1,168	.....	.....
Confectionery.. . . .	.....	456	81
Cotton manufactures	9,241	134	8,900
Dyes, including indigo	1,242	.....	.....
Earthenware and china	1,933	83	1,439
Electrical goods	6,021	734	.....
Essences, flavouring	367	.....	.....
Finished thread.. . . .	1,568	.....	.....
Furniture . . . . .	.....	18	.....
Glass and glassware	2,121	242	2,499
Glue and size	120	.....	.....
Haberdashery and millinery	655	14	716
Hardware and cutlery	10,669	1,340	1,970
Hemp manufactures	203	27	674
Implements of agriculture	728	.....	60
Iron and steel and manufactures thereof	7,847	478	1,933
Iron piping . . . . .	.....	.....	.....
Jewellery	908	.....	.....
Leather, dressed	912	94	815
Leather manufactures	508	317	.....
Linen manufactures . . . . .	.....	.....	157
Linoleum and oilcloth	134	.....	.....
Machinery	33,169	1,689	.....
Manure, chemical . . . . .	.....	.....	.....
Matches . . . . .	.....	.....	.....
Medical and surgical instruments	3,978	188	.....
Medicines, including drugs	9,512	46	.....
Metal polishes	84	.....	.....
Musical instruments—			
Pianos	241	50	.....
Other	341	.....	.....
Oil, lubricating	452	.....	.....
Paints and colours	257	.....	.....
Paper, cigarette	1,786	.....	.....
Paper, printing . . . . .	.....	3,124	.....
Paper, other, and paper goods	5,136	2,530	2,820
Perfumery	1,195	.....	.....
Pictures and engravings	139	.....	.....
Printing ink	815	.....	.....
Rubber manufactures	901	.....	.....
Sacks . . . . .	.....	.....	399
Scientific instruments	2,743	.....	.....
Silk manufactures	6,158	409	2,328
Soap	216	.....	.....
Stationery	2,890	958	160
Teeth, false	254	.....	.....
Timber	223	.....	.....
Tin manufactures	120	.....	.....
Tools used in handicraft	3,631	.....	.....
Toys	923	21	.....
Wood manufactures	420	30	175
Woollen manufactures	5,515	173	1,641
Miscellaneous	7,552	5,266	11,864
Total	£141,600	£18,474	£42,504

The foregoing table will serve to indicate the extent and variety of that portion of the import trade of Cyprus which may now be diverted to sources in the British Empire and to allied and neutral countries.

OPPORTUNITIES FOR CANADA

Subject to the import restrictions recently decreed by the Cyprus authorities (see *Commercial Intelligence Journal* No. 1874: December 30, 1939, page 1251), Canada should be able to develop its already existing trade with the Island and possibly share in the openings presented as a result of the cutting-off of Germany and countries in enemy occupation from the Cyprus market. (For details of the trade of Cyprus and of Canada's trade with that British Colony in 1937 and 1938, see *Commercial Intelligence Journal* No. 1855: August 19, 1939, page 366).

Preferential rates of duty are extended to imports into Cyprus from countries within the British Empire, including Canada.

NETHERLANDS FOREIGN TRADE AND THE WAR

J. A. LANGLEY, CANADIAN COMMERCIAL ATTACHÉ

Rotterdam, December 28, 1939.—Holland is dependent for the proper working of her economic system on her exports of agricultural and dairy products and finished industrial goods and on imports of essential raw and semi-manufactured materials for her industries. Netherlands exports are well below the pre-war level, and this is equally true of sales to Great Britain and Germany. Imports, on the other hand, have on the average increased. Purchases from Great Britain have dropped slightly, but those from Germany have advanced heavily. In fact a very considerable reduction has been made in the clearing debts due Holland by Germany since the outbreak of the war. At the end of August the German clearing debt to Holland amounted to \$22,000,000. By the end of October it had been halved, by the end of November it stood at \$7,000,000, and on December 15 at approximately \$3,000,000. There is every indication that the year-end will see it completely liquidated. Heavy imports from Germany of coal, iron, steel, and machinery may be a partial explanation of this debt reduction, together with the inability of that country to obtain deliveries of essential supplies in return. There has been in the last month a slight revival in Netherlands exports to Germany which are subject to export prohibitions and other forms of state control, and it is likely that, as the clearing is now about balanced, there will be an increase in the near future in the quotas of exports to Germany of agricultural, horticultural, and dairy products.

BALANCES OF TRADE

An analysis of Holland's trade figures by principal countries shows that the United Kingdom is chiefly a buyer of Netherlands products, while Germany is mainly a seller to this country. In the foreign trade of Holland, Germany leads all other countries with approximately 18·3 per cent of the total volume, followed by Great Britain with about 15·3 per cent. When these statistics are split up into imports and exports, it is noted that trade with Great Britain is more valuable, the balance of trade being in favour of Holland, whereas the balance between Holland and Germany is largely in favour of the latter country. The importance of the favourable trade balance with Great Britain lies in the fact that it provides a large surplus of exchange with which to finance Netherlands purchases of feeding stuffs and materials, without which her industries cannot function. In contrast, Holland-German trade provides Germany with over 30 per cent greater value in guilders than Holland receives in marks, although a better opportunity is thereby afforded for the sale of the surplus agricultural and dairy products of the Netherlands.

In 1938 Great Britain took 22·5 per cent of the total Netherlands exports, whereas Germany's share was 14·8 per cent. Of Holland's total imports, 8·14

per cent came from Great Britain, and 21·7 per cent from Germany. Over the period January to November, 1939, which includes the first three months of the war, the balance of trade between the United Kingdom and Holland remained more or less at the level of previous years, while Holland's adverse trade balance with Germany increased. This is shown by the following figures of Netherlands trade with these two countries covering the period January 1 to November 30:—

	1938	1939
Exports to:	Guilders	Guilders
Great Britain	217,222,000	211,955,000
Germany	146,890,000	124,808,000
Imports from:		
Great Britain	105,334,000	106,352,000
Germany	282,698,000	322,858,000

Trade with Germany is of importance to Holland in order to round out the economic structure of the Netherlands and is likely to be continued as long as possible despite the inconveniences resulting from totalitarian economic measures. On the other hand, British trade is indispensable to the financing of Netherlands overseas trade.

EFFECT OF CONTRABAND CONTROL ON HOLLAND'S TRADE

The allied Governments' decision to seize German exports, whether carried in enemy or neutral ships, has caused considerable apprehension in Holland, since the transit of goods to and from Germany by way of the Rhine and by rail through Rotterdam represents one-third of the activities of this port, which ranks as one of the most important harbours of the world. The Rhine is navigable for barges from Basle in Switzerland through Mannheim, Frankfurt, Cologne, Dusseldorf and the Ruhr Valley to Rotterdam or Antwerp. This is the natural route for the output of German industries destined for the consuming centres of Western Europe and the Western Hemisphere and is also the gateway to the German hinterland for shipments from the outside world. In 1938 a total of 14,149,716 metric tons of goods entered Rotterdam via this great waterway, and in the same year a total of 17,760,309 metric tons of goods left Rotterdam for the Rhenish hinterland. In addition, vessels entered Rotterdam from the German North Sea and Baltic ports to the number of 4,608 with a total tonnage of 6,356,485, representing about 30 per cent of the total arrivals. These figures do not include ships from countries that have come under the domination of the Reich. In 1938 a total of 22 vessels arrived from Danzig, while an additional 65 steamers of Polish registry entered the port of Rotterdam.

The Rhine, however, is not the only transport route between Germany and Holland. In this same year (1938) some 2,365,576 metric tons of German merchandise were carried by rail into Holland, while 813,656 metric tons were shipped by rail from Holland to Germany.

The following table shows the total volume of Netherlands trade to and from Germany via the German frontier during 1938, exclusive of the tonnage of those countries then outside the Reich but which now go to form part of Greater German territory:—

Netherlands Imports and Exports	To Germany M. Tons	From Germany M. Tons
Via rivers	1,999,283	5,798,856
Rail	767,233	2,204,519
Land	143,129	196,903
Transit Trade with and without Transhipment in Holland:		
Via rivers	25,044,302	23,120,899
Rail	30,519	159,164
Land	10,679	2,701

During the first ten months of 1939 transit merchandise from Germany via the ports of Amsterdam and Rotterdam for overseas destinations amounted to nearly 10,447,000 metric tons, consisting of:—

	Via Amsterdam M. Tons	Via Rotterdam M. Tons
Rendered animal fats	369	12,016
Wheat	2,402	127,636
Rye	300	89,983
Barley	1,096	68,886
Oats . . . . .	.....	50,388
Peas, beans and other pulse	1,243	8,731
Cocoa beans	3,404	6,116
Fodder, n.o.p.	155	11,080
Vegetable tanning materials and extracts	2,642	5,432
Iron ore, roasted pyrites, manganese ore . . . . .	.....	18,813
Coal	126,750	6,023,632
Coke . . . . .	.....	378,433
Briquets . . . . .	.....	31,503
Lime, trass, cement, chalk	15,786	70,568
Saltpetre and fertilizers	3,836	377,909
Natural stone	6,447	334,551
Railway equipment	9,210	27,086
Metals, alloys, manufactures and offal thereof, n.o.p.	39,941	80,395
Raw iron	1,131	46,843
Copper and bronze	8,180	1,617
Profile iron and steel; iron and steel bands	10,919	56,476
Sheet iron and steel	18,685	42,377
Lead . . . . .	.....	9,432
Minerals and manufactures thereof, n.o.p.	9,926	1,276,384
Wheat flour and meal	1,209	5,908
Rye flour and meal	11,984	39,062
Bran and other offal of cereals	3,558	9,905
Flour, n.o.p. and manufactures thereof	2,848	16,367
Chemicals	31,654	141,950
Paints, dyes, lacquers and varnishes	17,149	38,807
Vegetable oils and fats	3,897	20,331
Gasoline . . . . .	.....	68,650
Gas-oil . . . . .	.....	19,566
Products and residues of crude petroleum:		
(a) Packed	1,374	20,667
(b) In bulk . . . . .	.....	36,774
Fish oils	354	5,730
Stearine and other fatty acids	197	4,971
Rosins, gums, pitch, tar, coal tar products, etc.	10,501	66,621
Wax, soap, natural asphalt, etc.	5,359	7,193
Wood, n.o.p.	1,043	24,618
Pit-props . . . . .	.....	4,022
Manufactures of wood, n.o.p., furniture	2,388	2,184
Wood and straw pulp	9,784	28,661
Hides and skins	3,071	5,285
Earthenware and porcelain	2,206	1,148
Bricks	1,494	24,576
Glass and glassware	3,433	3,748
Paper, paper products, and printed matter	17,983	27,548
Raw beet sugar . . . . .	.....	58,332
Sugar, except raw; melada, molasses and syrup	36,165	12,410
Machines, implements, and apparatus	8,971	16,335
Wine	964	3,392
Foodstuffs and luxury articles, n.o.p.	1,454	2,284
Goods, n.o.p.	1,818	3,993

The foregoing figures indicate to some extent what would be the effect of a complete embargo on Germany's trade through Holland and the extent of the repercussion on Netherlands shipping.

TRADE BETWEEN THE NETHERLANDS AND GERMANY

In order to understand the reason for the close trade relations between the Netherlands and Germany, as distinct from transit trade, several factors having a direct and important bearing on the traffic must be taken into consideration. In the first place the entire eastern frontier of the Netherlands, extending for a distance of about 150 miles, touches German territory and enables traders of

both countries to maintain personal contacts with a minimum expenditure of time and money. It also places the various German industrial fairs within easy reach of Netherlands importers and buyers for the various large departmental stores. Most Netherlands imports of textile goods, socks, hosiery, household equipment, toys, novelties, etc. have been the result of transactions concluded at Leipzig or at the German section of the Netherlands Industrial Fair held bi-annually at Utrecht.

In the second place, despite the fact that for a number of years the industrialization of Holland has been progressing rapidly, this country is essentially an agricultural one and grows agricultural, horticultural and dairy products far in excess of its domestic requirements. On the other hand, that part of Germany situated along the border, especially the Rhine and the Ruhr districts, is densely populated and highly industrialized and affords an outlet for the surplus production of fruits, vegetables, butter, cheese and other products of the Netherlands.

A number of years ago, when Germany first found it difficult to obtain foreign exchange necessary for financing her purchases abroad, the Netherlands Government concluded arrangements whereby import and export trade could be maintained by means of a clearing agreement to which all transactions were subject. Over a period of several years this clearing arrangement has been repeatedly revised. After long drawn-out negotiations in Berlin, the existing treaty, which expires on December 31, 1940, provides that the Netherlands import duties as effective on March 1, 1939, would not be increased during the term of the treaty in so far as they applied to German agricultural and industrial products, chiefly manufactures of the electro-technical, chemical, and metal industries. Provision was also made for imports into Holland of commodities from Austria and Sudeten Germany, increased quotas being provided for importations from these sources, and a new arrangement was concluded for the export of Netherlands artificial silk yarns to the Sudeten territory. A provision was also made for the shipment to Germany of horticultural products to a maximum value of R.M.3,000,000, payment for which was not to be made through the medium of the clearing agreement but by means of special transactions to be arranged for.

In summing up the situation as of September 1, it may be said that the advantages accruing to Netherlands firms in this trade were the willingness of German exporters to grant liberal credits, in their desire to obtain foreign exchange, and the easy access afforded to supplies from Germany, which enabled Netherlands merchants to carry on their business on a more or less hand-to-mouth basis.

What the future holds is difficult to predict, but there is reason to believe that the present situation on the Continent is placing serious obstacles in the way of Germany's trade and that as time goes on there will be further reductions despite strenuous efforts on the part of German exporters to continue shipments to the Netherlands and other countries not at present involved in the war. It may be assumed that good opportunities will develop for increased sales of Canadian merchandise to this market, notwithstanding the burdens of war-risk insurance and high freight rates.

The following table of imports into Holland from Germany during 1938 shows commodities that might be supplied from Canada to the Netherlands:—

Netherlands Imports From Germany in 1938

	M. Tons		M. Tons
Fish and shell-fish	167	Bladders and casings	34
Frozen meat	4,039	Fish meal	16
Animal products, n.o.p.	977	Glue stock	19
Animal organs for chemical use . .	12	Grass seed	224
Horsehair	10	Sugar-beet seed	121
Cow hair	3	Vegetable seeds	49
Animal felt	199	Fodder	1,272

	M. Tons		M. Tons
Hops	62	Sleepers	20,648
Iron Portland and smelting furnace cement	22,100	Staves and bottoms	5,208
Lime nitrate of ammonia	65,364	Veneer	508
Other nitrates of ammonia	4,898	Sulphite cellulose, dry	708
Iron and steel in sheets:		Sulphite cellulose, wet	1,303
Not fabricated, 3 mm. or more ..	53,336	Oilcloth	215
Not fabricated, less than 3 mm..	6,931	Linoleum	251
Iron and steel in bars	51,529	Hides and skins	38
Reinforcing iron and steel	17,278	Leather	142
Shaped iron and steel	46,513	Yarns	1,198
Iron and steel strappings	10,112	Rope	298
Iron beams	24,868		Doz. Prs.
Rails	18,998	Hosiery and socks of wool	25,637
Axles, wheels, etc., for railways ..	3,016	Other socks and hosiery	651,359
Cast iron and steel tubing	15,996		M. Tons
Welded iron and steel tubing	3,480	Under clothing, knitted or tricot wear	136
Seamless iron and steel tubing	12,187		Pieces
Iron and steel tubing for insulation	1,075	Corsets and brassieres	1,050,438
Iron and steel bolts	1,699		M. Tons
Iron and steel nails and wire nails	2,710	Newsprint	5,125
Iron and steel screws	2,173	Printing and writing paper and cardboard	8,169
Drawn iron and steel wire	15,461	Printing and writing paper and cardboard, woodfree	2,044
Rolled iron and steel wire	751	Cardboard, except strawboard ..	1,981
Iron and steel cable	1,154	Wrapping paper and cardboards ..	6,803
Boilers for central heating	2,578	Kraft paper	2,762
Locks, padlocks and door handles ..	2,896	Coated paper	3,260
Copper tubing, not fabricated	1,610	Wallpaper	1,262
Copper in sheets, strips and bands	278	Carbon paper	70
Copper wire and cable, not insulated	640	Yeast	865
Brass in bars	2,769		Pieces
Brass tubing, not fabricated	692	Small electric motors	27,137
Brass in sheets, strips and bands ..	2,431	Electric vacuum cleaners	10,460
Zinc in sheets	1,029		M. Tons
Aluminium in sheets and bands ..	435	Electric meters and parts	251
Aluminium in bars	148	Power driven hoisting equipment ..	3,045
Aluminium foils	514	Compressors	1,170
Fire cement	5,359		Units
Gypsum	9,709	Ploughs and harrows, horsedrawn ..	7,782
Feldspar	2,109	Mechanical ploughs and harrows ..	167
Acetic acid	400	Seeding machines	447
Calcium carbide	2,293	Grain mowers-binders	425
Sulphate of soda (Glauber's salts)	5,167	Mowers	3,744
Printing ink	363	Hay kickers and forks	455
Films, not exposed	86	Threshers	261
Zinc white	1,410	Other agricultural implements ..	7,681
Red lead	1,791		M. Tons
Ochre	184	Skates	7
Iron oxide	856		
Pit-props	4,976		
Piles and poles	2,634		

TRADE OF ARGENTINA IN 1939

J. A. STRONG, CANADIAN TRADE COMMISSIONER

Buenos Aires, January 31, 1940.—Argentina is preparing to live on her capital so far as possible, or so far as may prove necessary, for the period of the war. Replacements for a wide range of her capital goods that are not manufactured at home are being forcibly postponed through direct government intervention. The importation of luxury and non-essential goods which cannot be obtained directly in exchange for her exports, is being severely restricted. The conditions associated with a period of economic depression are being created artificially in the commercial circles affected by these control measures at a time when domestic purchasing power is buoyant. The purpose is to forestall the natural consequences of continued buying abroad at a time when it is not clear where the means of payment for the goods can be obtained. Argentina has never defaulted on her debt services abroad.

It may be assumed that Argentina will wish to keep her exports at the maximum level consistent with the shipping facilities made available to carry her meats and grain abroad. It is also evident that the United Kingdom and France plan to take every possible advantage of the credit facilities that Argentina is able to extend towards obtaining additional supplies of Argentine meats and grain.

It is logical to expect that Argentina herself might eventually welcome an arrangement whereby she could get approved classes of goods from other sources in payment for additional exports to the United Kingdom and France. It would be one way to facilitate Argentine exports of grain and meats to the Allies when other means have been exhausted. However, it would seem to be for Argentina to make the first move towards finding a method to finance these excess shipments.

Argentina has every reason to budget her foreign exchange resources even though domestic business continues at a comparatively high level. Many individual business enterprises are being seriously affected by the officially directed adjustments in domestic economy to meet war conditions but the policy of the government is generally approved.

TRADE BALANCE

Argentina had a favourable trade balance in 1939 amounting to approximately \$75 million. This surplus represents probably half the exchange required to meet her financial services abroad. In 1938 Argentina had a deficit on trade account alone of \$20 million but in 1937 there was a very large surplus above her financial service requirements.

EXPORTS

Argentine exports showed an increase of 41.1 per cent in volume last year as compared with 1938. This increase was largely due to heavier wheat shipments from her big 1938-39 crop. Due to low grain prices the value of exports was only 12.1 per cent higher than in 1938. Wheat represented 17.4 per cent of the total value of exports of agricultural and animal products; corn, 12.9 per cent; flaxseed, 10.8 per cent, and meats 21 per cent.

The following table shows the distribution of exports in 1937, 1938, and 1939, and in the last four months of 1938 and 1939 among principal purchasing countries:—

Distribution of Argentine Exports

	1939	1938	1937	Sept., 1939	Dec., 1938
	Millions of Canadian Dollars				
Total	520	467	770	175	158
United Kingdom	172	153	224	55	57
United States	62	40	98	30	18
Germany ¹	36	69	66	2	18
Belgium	34	35	72	13	10
France	25	25	32	8	8
Italy	11	12	47	4	4
Holland	38	34	72	14	12
Scandinavia ²	19	14	24	10	5
Switzerland	5	1	1	4	1
Denmark	6	6	12	3	2
Spain	10	2	1	1	..
Brazil	23	33	44	8	9
Orders Nov.-Dec. ³	35	..	..	..	..
Others	44	43	77	23	14

¹ Includes Germany, Austria, Poland and Czecho-Slovakia.

² Includes Norway, Sweden and Finland.

³ Probably mostly wheat for the United Kingdom.

IMPORT CONTROL SYSTEM

The Argentine Government exercises complete and effective control over all imports of merchandise. Argentine discriminates both as to country of origin and the class of goods offered for sale. All imports must be covered by an official import permit. The import permit automatically entitles the buyer to purchase the corresponding foreign exchange so that there are only the normal commercial risks for the foreign exporter.

There are two classes of permits issued by the Argentine government covering imported merchandise. One class of permit entitles the holder to buy the corresponding exchange from his bank at 15 pesos to the pound sterling and is made available to cover most raw materials for local industries and certain commodities considered officially as necessities here. The other class of permit entitles the holder to buy exchange at 17 pesos to the pound and applies on all other goods admitted to Argentina. If an import permit is made available at all, there is no further discrimination as between the countries supplying the particular goods.

The general principles governing the issuance of import permits in Argentina are four in number. (1) Aggregate imports are kept as far as possible within Argentina's ability to pay for them from her exports of animal and agricultural products after taking care of the financial services abroad. (2) Local manufacturing industries are given absolute protection if capable of meeting reasonable local consumption requirements and adequate protection is given in other cases through high customs duties and/or quotas. (3) Every preference is given to those countries which are the principal consumers of Argentine meats and grain. This preference now applies in particular to the United Kingdom and France but it also applies to Holland, Belgium and some other smaller countries in Europe. The preference is made effective either by the absolute prohibition of imports of competing goods from other sources or through the imposition of quotas on imports from other countries. (4) Imports of major lines, such as automotive products and farm machinery, are limited by quotas.

The application of these principles means in practice that imports of goods into Argentina from Canada, the United States, Japan, etc., are severely restricted to necessities which are not available in sufficient quantities from the good customers of Argentina. It might be added that the United States is normally Argentina's second-best customer but the United States generally has a favourable balance of trade with Argentina.

In general most raw materials and semi-fabricated goods apart from textiles, excepting thread, that are essential to local manufacturing industries, parts for local assembly of electric refrigerators and ranges, radios, storage batteries, etc., chemicals and drugs, are admitted freely now from Canada and the United States. Typical North American machinery and equipment which is not yet manufactured in Argentina or not manufactured in sufficient quantities, such as automobiles and trucks and agricultural implements, are admitted subject to quotas based on imports over a previous period. The purpose of the quotas on these important lines is to limit the demand for foreign exchange.

[The Department of Trade and Commerce, Ottawa, has on file a complete list of the classes of goods which may be imported either freely or subject to quota restrictions from Canada].

IMPORTS OF MERCHANDISE

Imports of merchandise into Argentina in 1939 were valued at slightly over \$440 million, a decrease of 8.4 per cent from 1938. Adding to curtailment through difficulty in getting orders filled due to the war, the Argentine Government enacted new import control measures last August which have had the effect of severely curtailing purchases abroad.

The following table shows in millions of Canadian dollars the value of imports into Argentina by supplying countries in 1938 and 1939 and, to indicate the effect of the war on arrivals of goods, in the last four months of 1938 and 1939; also the percentage of total imports from each country:—

Imports of Merchandise into Argentina ¹

	1938		1939		September-December			
	\$	\$	P.C.	P.C.	1938	1939	1938	1939
					\$	\$	P.C.	P.C.
United Kingdom	86.7	82.7	18.3	19.9	29.0	23.3	18.0	16.7
United States	83.7	71.7	17.7	17.2	24.0	28.3	14.9	20.3
Germany ²	61.7	45.0	13.0	10.8	19.7	6.7	12.2	4.8
Belgium	24.3	27.0	5.2	6.5	8.7	6.7	5.4	4.8
France	20.3	23.3	4.3	5.6	7.0	5.0	4.3	3.6
Italy	26.0	11.0	5.5	2.6	7.0	5.0	4.3	3.6
Scandinavia ³	14.7	16.7	3.1	4.0	5.3	4.7	3.3	3.3
Holland	9.0	9.7	1.9	2.3	3.3	3.3	2.0	2.4
Switzerland	6.7	7.3	1.4	1.8	2.7	2.7	1.7	1.9
Brazil	22.3	27.0	4.7	6.5	9.3	14.3	5.9	10.3
Canada	6.3	5.3	1.3	1.3	2.3	4.0	1.4	2.9
Japan	15.3	3.3	3.3	0.8	3.7	1.0	2.3	0.7
Others	96.0	86.0	20.3	20.7	39.0	34.7	24.3	24.7
Total	473.0	416.0	100.0	100.0	161.0	139.7	100.0	100.0

¹ Based on tariff values or 15 per cent below "real" values.

² Includes Germany, Poland, Czecho-Slovakia, Austria.

³ Includes Norway, Sweden and Finland.

Argentine imports of machinery and vehicles were down 41.9 per cent or by \$33 million last year due largely to restrictions on imports of automotive products. Imports of textiles showed a reduction of 23.6 per cent or of \$22 million from 1938.

North and South American countries supplied almost 40 per cent of Argentine imports in 1939 with a value of about \$156 million. Argentina had to find some \$46 million in free exchange elsewhere, plus the financial services payable, in order to meet her North and South American obligations over and above the value of her exports to these countries.

Argentine purchases from the Allies, except Canada, amounted to \$119 million in 1939. Those from present European neutrals totalled \$80 million; from Germany and German-controlled countries, \$48 million; and from the Far East and Africa, \$38 million. The latter figure includes jute and crude rubber purchases from India and the East Indies which are really a charge against the United Kingdom and Holland.

PAYMENT FOR IMPORTS

Argentina was paid in cash or free exchange for her excess sales of meats and grain to the Allies during the war of 1914-18. This free exchange was used largely to purchase goods from neutral countries. United States sales to Argentina increased enormously from 1914-18. The present position is that Argentina meets her financial obligations in the United Kingdom and Europe by exporting her meats and grain to them and has to accept payment in goods for additional sales. Apart from any temporary credits that may be extended by Argentina, future excess sales will have to be paid for through the repatriation of part of her outstanding debt held by the United Kingdom and France. Argentina is faced with the problem of having to find sufficient free exchange from her exports to pay for purchases of necessary imports that must come from such countries as those of North and South America with which she has already unfavourable balances.

Argentina has already taken the first steps towards meeting this problem by giving her own manufacturing industries every opportunity to supply the local requirements in lines already made or that can be made in Argentina. Imports have been cut from North America, Japan and other similar sources to a minimum consistent with the absolute needs of domestic economy. Argentina has reduced the import quota for agricultural implements for 1940 to 50 per cent of the normal annual figure. Farm tractors are cut to 25 per cent of normal imports. The quotas on automobiles and trucks are about one-third of the normal figure. This action may be taken as an indication of the length to which Argentina is going in order to lessen the strain on her exchange resources.

Argentina has just placed a ban on imports from Italy which will be effective until such time as the clearing account is balanced through increased Argentine sales to Italy. Argentine imports from Japan have been almost eliminated but an Argentine trade mission is now en route to Tokyo.

Merchandise continues to arrive from the United Kingdom, France and neutral European countries, including Scandinavia, with only a moderate reduction from pre-war levels, except for certain essential war materials. If Argentina should later be cut off partly or completely from any of these sources of supply, Argentine exports will be affected presumably to a corresponding degree. Such a situation would not automatically result in North America selling more goods to Argentina. It would mean largely an increased demand for necessities at the expense of other lines already being sold here.

There are definite limits to the quantity of goods that Argentina can afford to buy from North America at this time despite the difficulty or even the impossibility of buying them elsewhere due to the war. The general limits are established by the value of the goods that Argentina can send to North America in payment for them after payment of her financial services have been met. If Argentina permits the value of her purchases to go beyond this limit and it will probably be necessary to do so in order to meet her import requirements in absolute necessities alone—she will have the problem of finding the free exchange elsewhere to pay for them. It seems improbable that this free exchange will be available from Europe.

UNITED KINGDOM-ARGENTINE PAYMENTS

United Kingdom purchases from Argentina vary quite widely from year to year, depending largely on the volume of grain that Argentina has available for export. The United Kingdom pays for Argentine meats and grain with (a) her own exports of manufactured goods to Argentina, (b) certain exports from British colonies, such as jute, tea, crude rubber from India, Ceylon, Malaya, etc., (c) earnings on British capital investments in Argentina, (d) net freight earnings on Argentine goods exchanged with the United Kingdom, (e) miscellaneous items. The United Kingdom only pays for approximately 40 per cent of her purchases from Argentina with her own manufactured goods. The other 60 per cent is paid from her other resources as mentioned above. United Kingdom exports of manufactured goods to Argentina are being maintained so far at almost pre-war levels; but it is evident that any decline in exports would not affect the United Kingdom purchasing power in Argentina in a proportion at all approaching reduction in the shipments to Argentina. The United Kingdom may easily continue her purchases from Argentina for war-time needs through 1940 without having to draw on resources beyond those normally utilized in this country.

GERMANY'S POSITION IN THE TRADE OF VENEZUELA

H. W. BRIGHTON, CANADIAN TRADE COMMISSIONER

(Bolivars 3·19 equal U.S.\$1)

Panama City, January 17, 1940.—Germany is credited with 10·3 per cent of the total import trade of Venezuela during 1937, the last year for which official statistics are available. During that year Venezuela imported goods to the value of 304,633,681 bolivars, and of this amount Germany's share was 41,434,155 bolivars. As 1937 was considered a good year in Venezuela, the following information will serve to indicate the possibilities for the sale of Canadian products to replace those formerly obtained from Germany now that commercial intercourse between Venezuela and Germany has been interrupted as a result of the war.

DISTRIBUTION OF IMPORTS

Venezuelan trade returns divide imports into several main groups; the total value for each of the principal groups in 1937, the value of imports from Germany, and the percentage which the latter figure is of the total are shown in the following table:—

Group	Total Imports Bolivars	Imports from Germany Bolivars	Percentage of German Origin Bolivars
Foodstuff and beverages.	28,663,539	1,445,947	5
Textiles	41,868,042	6,427,109	15
Animal and animal produce	4,909,877	2,453,952	50
Vegetal and vegetal produce	2,925,291	618,746	21
Wood, paper manufactures.	6,127,452	1,586,551	25
Minerals, glass and ceramics.	8,355,041	3,142,061	37
Metals and manufactures	17,378,915	8,005,453	46
Machinery and instruments.	44,393,676	5,536,107	12
Chemical products.	14,495,082	2,219,645	15
Free list entry.	13,223,858	2,345,426	17

As shown in the foregoing table, the highest percentages credited to Germany were in the following groups: animal products, chiefly heavy leather; metals and manufactures, chiefly wire netting, steel rails and beams, knives, insulated copper wire, aluminium kitchenware, piping, locks and hinges, gilt metal articles, tinware, lead shot; minerals, glass and ceramics; various, chiefly, masks, plastic materials and manufactures, stationery articles, electric accessories, artificial jewellery, pharmaceuticals; and vegetables and vegetable products, chiefly, brooms and brushes; and essential oils.

PRINCIPAL ITEMS IMPORTED FROM GERMANY IN 1937

FOODSTUFF AND BEVERAGES

	Bolivars		Bolivars
Malt	890,773	Edible oils	2,386
Potato seeds.	31,906	Butter.	41,617
Infant foods	115,056	Cheese.	11,380
Gelatines	50,972	Hams	3,430
Codfish	1,465	Candies	4,797
Sardines	5,977	Biscuits	4,160

TEXTILES

Thread, sewing	338,069	Laces and blondes	71,991
Thread, embroidery and weaving. .	67,008	Cotton fabrics, not specified. . . .	22,792
Thread, not specified	2,884	Underwear	3,832
Cotton fabrics	976,779	Hosiery, not more than 340 grams to the dozen	1,078,949
Cotton drills	348,634	Handkerchiefs	76,808
Cotton duck	74,537	Corsets, garters and elastic bands. .	57,929
Cotton rubberized fabrics	4,058	Other wearing apparel, without silk	77,827
Passementerie	13,196		

	Bolivars
Other wearing apparel, with silk ..	101,207
Bedding, quilts and bedspreads. . .	23,147
Beddings, blankets.	190,769
Table cloths	9,872
Towels	64,520
Bedding, cotton and silk.	35,498
Bedding, cotton and silk, not speci- fied	93,865
Yarns, cotton	12,603
Linen fabrics, not more than 150 grams	21,652
Linen fabrics, more than 150 grams	46,290
Woollen cloth, including goat's hair	117,550
Woollen cloth mixed with cotton . .	11,222
Felt, more than 11 mm. thick . . .	9,926
Felt for machinery	26,602
Wool and silk mixed underwear . .	22,021
Artificial silk yarns	19,407
Artificial silk, pure or mixed or mixed with not more than 30 per cent animal silk	387,770
Other silk wearing apparel.	6,698
Silk underwear	273,138
Silk mixed with other materials, wearing apparel.	96,933

	Bolivars
Silk mixed with other materials, not specified	8,828
Artificial silk mixed with animal silk	99,714
Hat ribbons, one colour, not longer than 80 centimetres.	8,086
Fibre threads and yarns.	72,142
Fibre twisted cords	394,546
Ropes	9,471
Plain weave, ordinary fibre fabrics	439,263
Ordinary fibre articles, not specified	8,346
Rubber cloth, up to 500 grams per square metre	6,662
Rubber cloth, up to 750 grams per square metre	6,551
Rubber, not specified	4,325
Rubberized cloth	86,091
Carpets and rugs, of wool, hair, silk, pure and mixed	6,840
Other carpets and rugs	18,167
Lamp wicks	19,507
Flags	9,934
Passementerie, silk, wool, linen, fibres	45,380
Rubberized capes and coats.	6,867

ANIMAL AND ANIMAL PRODUCE

Bones, manufactures	35,312
Guts, manufactures	30,480
Glue	14,070
Hair and bristles, paint brushes . .	38,503
Brushes, dusters and brooms . . .	11,228
Tooth brushes	7,963

Other manufactures	44,016
Tanned leather, heavy	1,944,969
Tanned leather, in gloves.	30,973
Tanned leather for hats	6,627
Tanned leather, light, not specified	228,050
Animal fats for industry.	3,730

VEGETALS AND VEGETAL PRODUCE

Wicker furniture not upholstered. .	8,820
Rattan furniture, not specified. . .	3,113
Wicker and rattan, not specified . .	7,912
Straw, braided for hats	12,317
Straw, not specified	2,153
Palms, in brooms and brushes . . .	11,397
Hops	168,248
Cork, not manufactured.	11,149
Cork, manufactures	5,836

Linseed oil, boiled	5,754
Essential oils	116,080
Rubber manufactures:	
Nipples	16,591
Hose	6,601
Hot-water bottles.	22,089
Manufactures not specified. . .	65,444
Ebonite combs.	17,491
Ebonite tubes	5,481

WOOD, PAPER MANUFACTURES

Furniture not specified	62,316
Wooden articles, turned, moulded or bored	63,148
Wooden articles, polished, varnished and painted	31,869
Wooden articles, not specified . . .	28,604
Wood paste for the manufacture of paper	335,844
Paper, white, coated, glazed, etc. . .	86,940
Paper, white, for letters, unruled. .	10,778
Paper, white and coloured	143,003
Cardboard less than 1 mm. thick . .	28,747
Cardboard more than 1 mm. thick. .	37,959

Cardboard boxes	21,333
Letter envelopes	18,306
Paper manufactures, not specified. .	61,510
Cardboard manufactures, not speci- fied	222,039
Paper, ruled for music	3,609
Printed matter for propaganda . . .	22,929
Printed labels, cards, etc.	74,817
Playing cards	2,084
Almanacs, calendars	14,380
Other printed matter	78,990
Toilet paper.	34,364
White paper, unglazed (printing). .	23,043

MINERALS, GLASS AND CERAMICS

Plain glass, for window panes. . . .	45,813
Bevelled glass.	28,376
Glass manufactures for laboratory purposes.	43,527
Glass nursing bottles.	6,778
Glass bottles, less than 16 centi- litres.	202,614
Glass bottles, more than 16 centi- litres.	109,069

Glass bottles, containers for do- mestic produce.	686,517
Same as above, less than 10 centi- litres.	34,030
Glass bottles, more than 3 litres (wrapped in straw).	255,764
Glass bottles, metal covered (thermos).	214,530

MINERALS, GLASS AND CERAMICS—*Concluded*

	Bolivars		Bolivars
Glass manufactures, not specified..	364,826	Porcelain manufactures, not specified..	89,914
Crystal manufactures, not specified..	62,797	Petroleum derivatives:	
Lenses for eye-glasses..	18,940	Lubricating oil..	56,234
Bevelled looking-glasses..	73,019	Vaseline..	10,238
Chinaware, ornamental chinaware objects..	12,411	Paraffin..	10,162
Blue tiles..	55,861	Slate in any form..	23,599
Chinaware, not specified..	269,830	Emery in any form..	26,951
Porcelain, ornamental porcelain objects..	13,205	Graphite..	7,751
		Roman cement..	192,933
		White cement..	4,323

METALS AND MANUFACTURES

Fountain pens (with only the pen of gold) ..	23,899	Piping of not more than 102 mm..	244,617
Gilt metal articles..	162,802	Piping more than 102 mm..	40,303
Gold in articles, not specified..	89,974	Fittings for above..	36,567
Silver-plated metal articles..	89,187	Iron and steel wire..	100,165
Silver in manufactures, not specified..	44,466	Iron and steel cables..	3,009
Corner, brass, bronze, in pigs, bars and sheets..	64,708	Wire netting, above 3 mm..	35,632
Copper and brass wire and cables..	8,307	Enamelware..	2,670,013
Copper and brass wire cables, insulated..	273,489	Iron kitchen batteries..	49,497
Copper and brass wire cables, insulated for underground installation..	9,599	Galvanized nails and tacks (square)	39,940
Copper and brass tubes and connections..	88,617	Bolts and nuts..	56,218
Copper and brass nails, tacks and screws..	9,154	Ships chains and anchors..	12,251
Copper and brass manufactures, not specified..	259,910	Other galvanized articles..	146,709
Rails, steel beams..	451,069	Bath tubs..	16,174
Iron and steel bars, round, square, etc., for construction..	56,945	Knives and pocket knives..	400,133
Steel sheeting (black)..	120,742	Needles..	57,444
Galvanized steel sheeting..	12,646	Razor blades..	87,216
Tinned iron sheeting..	28,685	Tinware..	143,940
		Table cutlery (chrome and nickelled) ..	87,587
		Kitchenware, aluminium..	289,227
		Aluminium articles, not specified..	197,868
		Lead shots (munitions)..	104,163
		Lead manufactures, not specified..	27,446
		German silver, cutlery..	29,393
		German silver, other articles..	15,138
		Locks, padlocks, hasps and staples, hinges, etc..	157,927

MACHINERY AND INSTRUMENTS

Passenger auto cars, weighing up to 800 kilos..	84,504	Lamps and lanterns, electric..	188,433
Passenger auto cars, weighing up to 1,400 kilos..	51,669	Lamps and lanterns, not specified..	101,924
Motorcycles..	194,163	Typewriters..	375,897
Cords for musical instruments..	150,022	Calculating machines..	116,726
Radio receiving sets..	104,916	Scales, weighing capacity up to 1 kilo ..	3,941
Accessories for above..	9,537	Scales, weighing capacity up to 100 kilos..	44,802
Phonographic accessories..	30,482	Scales, weighing capacity up to 1,000 kilos..	2,655
Cinema accessories..	78,788	Motors..	321,052
Scientific instruments, apparatus for engineers, medical laboratories, etc..	863,122	Spark plugs..	7,165
Sewing machines..	169,670	Steam boilers..	31,330
Corn and meat grinders..	258,999	Hydraulic pumps..	30,112
Water filters and accessories..	37,843	Machine shafts..	13,532
Watches and clocks..	315,608	Machine packing..	3,896
Photographic articles, supplies, apparatus, etc..	194,134	Parts and pieces of machinery..	943,156

CHEMICALS

Pharmaceutical preparations, not specified..	725,406	Paints, not prepared..	33,141
Absorbent and medicinal cotton ..	69,113	Lead oxides..	7,883
Other, not specified..	129,889	Zinc oxides..	71,069
Tooth paste and powder..	7,334	Prussian blue..	33,212
Perfumes (alcohol)..	76,429	Colours, not specified..	35,400
Perfumed cosmetics, ointments, and lotions..	11,362	Varnishes..	18,153
Perfumed powders..	6,022	Paints in oil..	37,504
		Enamels, paints..	17,490
		Dyes for textiles..	23,762

	Bolivars		Bolivars
Acids—		Caustic soda, potash.. . . .	2,530
Nitric	1,257	Epsom or Glauber's salts.. . . .	11,176
Muriatic.. . . .	7,212	Cream of Tartar.. . . .	11,196
Boric	12,029	Potassium nitrate.. . . .	35,137
Acetic.. . . .	6,963	Alum.. . . .	3,359
Citric.. . . .	7,957	Naphthaline.. . . .	4,078
Tartaric.. . . .	9,726	Concentrated extracts for industrial preparations.. . . .	13,857
Not specified.. . . .	5,766	Synthetic essences.. . . .	200,080

VARIOUS

Air rifles and pistols	28,341	Sets for sewing, shaving, manicure, etc.	96,032
Bathing suits.. . . .	76,262	Artificial jewelry, beads, imitation pearls, etc.	172,735
Sporting goods.. . . .	9,605	Artificial flowers, fruits, leaves, palms, etc.	34,970
Shot guns—		Imitation furs and leathers in manufactures.. . . .	18,908
Breach loaders.. . . .	14,580	Photographs.. . . .	173,365
Muzzle loaders.. . . .	19,298	Picture frames, with or without glass.. . . .	8,697
Not specified.. . . .	22,653	Shoes, not specified (finished or semi-finished), and hats	108,820
Chess, checkers, dominoes, etc.	39,499	Women's handbags, powder puffs.. . . .	120,306
Masks.. . . .	602,032	Power belts, wrapping twine of paper or cotton.. . . .	34,164
Toys.. . . .	54,491	Pharmaceutical articles not specified.. . . .	163,806
Electric plants	158,590	Stationery articles not specified.. . . .	327,235
Accessories for electric installations, not specified.. . . .	222,031		
Celluloid—			
Not manufactured.. . . .	60,678		
Combs.. . . .	4,099		
Buttons.. . . .	33,936		
Other manufactures.. . . .	49,765		
Plastic materials, manufactures.. . . .	404,531		
Cases and boxes lined with cloth or leather.. . . .	40,777		

FREE ENTRY LIST

Sulphuric acid.. . . .	25,523	Tools and implements, without wooden handles.. . . .	4,680
Biological products.. . . .	38,815	Weed hooks and hoes.. . . .	25,637
Arsenobenzol, salvarsan, and similar derivatives.. . . .	16,390	Axes and hatchets	32,201
Grey oil, mercurial ointments, salt elutions in ampules.. . . .	6,233	Picks.. . . .	15,526
Quinine and salts.. . . .	71,744	Machetes.. . . .	139,441
Disinfectants.. . . .	46,561	Shovels.. . . .	27,834
Apparatus for application of the above.. . . .	126,803	Spades	12,737
Apparatus and substances against insects, parasites and rodents.. . . .	86,333	Galvanized barb wire for fences.. . . .	320,324
Sanitary articles.. . . .	175,109	Other articles for agriculture, not specified.. . . .	308,400
Toilet paper.. . . .	34,364	Machinery, presses, tools, implements for graphic arts.. . . .	405,300
Weaving machinery and mills.. . . .	130,076	Teaching materials.. . . .	134,070
		Newsprint and printing paper (white unglazed)	23,043

GERMANY'S POSITION IN THE TRADE OF COLOMBIA

H. W. BRIGHTON, CANADIAN TRADE COMMISSIONER

(Peso 1.75 equals U.S.\$1)

Panama City, January 18, 1940.—The total value of imports into Colombia during 1938, the last year for which official statistics are available, is given as 159,258,828 pesos as compared with 169,682,442 pesos for 1937, a decline of 6 per cent. The following table shows the total value of all imports into Colombia during the calendar years 1937 and 1938 by principal countries of origin:—

	1937 Pesos	1938 Pesos
United States	78,951,640	79,445,074
United Kingdom	31,976,827	19,662,678
Germany	22,467,771	27,765,555
France	5,389,905	5,380,843
Belgium	4,792,704	3,382,722
Canada	3,916,293	2,711,975
Holland	2,028,059	1,711,975
Sweden	1,926,342	2,302,695
Switzerland	1,506,646	1,952,869

The following table shows the value of total imports into Colombia for the years 1936, 1937 and 1938 together with the value of imports from Germany:—

Year	Total Imports Pesos	Imports from Germany Pesos
1936	134,441,298	26,984,566
1937	169,682,442	22,467,771
1938	159,258,828	27,765,555

It will be observed from the above that, while the total imports for 1938 declined as compared with 1937, imports from Germany increased considerably. This was due to the barter trade agreement, whereby Germany increased her purchases of Colombian products and paid for them with German products.

The principal products imported from Germany during 1938 of a value of over \$1,000 were as follows:—

AGRICULTURAL PRODUCE

	Pesos		Pesos
Starch, for industry	4,076	Hops	115,059

ANIMALS AND ANIMAL PRODUCE

Horned cattle	687	Hair and Bristles	4,001
-------------------------	-----	-----------------------------	-------

FOREST PRODUCTS

Other gums and rosin	8,532	Medicinal balsams	1,026
Camphor	11,673	Dried barks, roots, etc.	5,089

PARTLY MANUFACTURED ARTICLES (CHEMICAL INDUSTRY)

Liquid gas	2,838	Tartaric acid salts	3,455
Acids:		Aldehydes	2,295
Chloridric	13,957	Etilic ether	3,665
Nitric	2,249	Ether, not specified	2,015
Sulphuric	22,305	Celluloid	6,455
Citric	2,654	Insecticides and disinfectants	80,194
Tartaric	13,071	Metal and wood polish preparations	7,194
Hydrate of ammonia	4,968	Lignite, wood and coal distillates	1,140
Caustic soda	12,645	Other chemical produce	197,637
Potash (caustic)	2,722	Celluloid photo films	66,859
Magnesium oxide	2,407	Paper and photo films and metal	3,748
Other oxides	5,560	Films and plates for X-rays	12,651
Borax of sodium	4,482	Paper for photography	34,840
Sodium bicarbonate	1,659	Chemicals for photography	4,345
Carbonate of ammonia	6,129	Tanning extracts	8,414
Carbonate of magnesium	1,976	Tanning oils and greases	7,637
Cyanhydric acid salts and others	47,932	Tanning chrome salts	36,651
Nitrate of potash	34,209	Oil soluble anilines	4,585
Nitrate of silver	6,309	Anilines and salts	2,167
Nitrate and sub-nitrate of bismuth	6,099	Lamp black	3,471
Silicates of potash and soda	6,530	Zinc oxide	38,231
Sodium sulphite, bisulphite, etc.	3,148	Mineral colours, not prepared	38,185
Sodium sulphate	5,307	Other colouring materials	10,360
Magnesium sulphate	8,957	Essential oils	6,346
Sodium hydrosulphite	40,465	Artificial aromatic substances	10,330
Sodium hyposulphite	2,059	Compounded essences for soap	7,736
Sodium sulphur	18,459	Extract for aerated waters	11,271
Calcium hypochloride	24,142	Sperms and wax	3,913
Potassium chloride	25,651	Caseines, gelatines and glues	11,322
Chromic acid salts	3,838	Linseed oil	1,360
Permanganate of potash	4,039	Sulpholeine	30,730
Acetic acid salts	3,393		

YARNS AND PROCESSED FIBRES

Silk yarns	47,258	Prepared straw for mats, furniture, etc.	20,966
Woollen yarns	202,446		
Cotton yarns	40,814		

TANNED LEATHER AND RUBBER

	Pesos		Pesos
Light tanned leathers	21,323	Hat bands	4,169
Kid	314,994	Furs	5,063
Leather, stamped, engraved and in relief	10,134	Rubber soles, heels, and plates	4,200

VARIOUS METALS

Iron scraps and castings	1,860	Copper in sheets, rods, discs, etc. . .	8,368
Iron and steel in bars, plates, sheets, rods, etc.	749,605	Aluminium and alloys of more than $\frac{1}{10}$ mm.	118,169
Iron and steel forged in cylinders, octagon and square.	233,233	Aluminium and alloys in sheets, bars and wire	3,316
Iron and steel, galvanized sheets. . .	53,653	Lead and alloys in pigs, sheets, drawn and solder	6,893
Iron and steel sheets, $\frac{1}{16}$ to $\frac{1}{4}$ inch . .	22,538	Gold, partly finished	4,935
Tin sheets	36,900		
Tin and steel wire	30,293		

PARTLY MANUFACTURED PRODUCTS

Plywood	29,543	Glass for lens making	7,440
Rennet	5,510	Wooden heels	2,153

PRODUCTS FOR IMMEDIATE CONSUMPTION

Fish, preserved	769	Lactose	6,340
Caviar and fish roe, prepared . . .	1,160	Four and cornstarch preparations . .	2,775
Meat, fish, molluscs, etc.	753	Preserved fruit and vegetables . . .	531

CHEMICAL INDUSTRY PRODUCTS

Iodine	4,374	Ointment and pommades	19,181
Boric acid	3,399	Medicinal extracts	17,200
White arsenic	1,264	Emetics	7,495
Acids:		Plasters and poultices	3,319
Formic	1,189	Arsenobenzoles, salvarsan and neosalvarsan.	303,207
Oxalic	2,757	Medicinal cotton.	15,950
Acetic	5,696	Bandages, medicinal.	30,138
Acetic, denatured.	5,674	Abdominal belts and varicose stockings	11,628
Bismuth carbonate	2,905	Printing press inks	68,912
Sulphuric acid salts.	4,973	Typewriter ribbons, etc.	28,117
Sulphydric acid salts	2,775	Colours in tubes, tablets, etc. . . .	27,485
Chloride of mercury.	4,075	Other prepared colours	19,680
Calcium chloride	3,377	Varnishes	18,897
Bromic acid salts	3,151	Putty	2,721
Iodic acid salts	7,102	Sealing wax	5,481
Citric acid salts	3,926	Ink, any colour, liquid	21,152
Other inorganic acid salts.	16,093	Dyes for cloth and leather	60,069
Oxygenated water	10,660	Black and colour pencils	80,308
Chloroform	3,007	Chalk, writing.	7,650
Salicylitic acid and salts	5,951	Chalk, chunks and pulverized. . . .	1,084
Acetanilide.	7,276	Boxes and cases furnished with chalk pencils	5,635
Benzol acid and salts	7,276	Toiletries with alcohol	3,234
Organic combinations and their salts	4,297	Tooth-paste and powder	885
Cement for dentistry	4,330	Perfumery and cosmetics without alcohol	5,122
Disinfectants and antiseptics in small containers.	32,719	Perfumed soap	14,754
Morphine and salts	5,249	Liquid glues in containers	3,073
Morphine, sedel, etc. (ampules). . .	2,600	Other cosmetics	12,788
Codeine and salts.	6,435	Powder (explosive)	6,808
Cocaine and salts	3,194	Dynamite	63,459
Quinine and salts.	549,452	Fuse for mines	16,326
Cafeine and salts.	4,983	Detonating caps (mining)	7,689
Peptones, nucleines, diastases and ferments	4,465	Detonating caps for firearms	7,689
Vaccines	24,710	Chenopod oil	7,528
Biological products	408,889	Lubricating greases	983
Non-biological injections	292,961	Lubricating oils	19,743
Pharmaceutical specialties, granulated, compressed, tablets, etc. . .	911,295	Mineral oils for transformers	1,117
Pharmaceutical specialties, solutions, emulsions and syrups	113,736		

MANUFACTURES OF STONE, CEMENT, GLASS AND CERAMICS

	Pesos		Pesos
Slates, for writing	3,728	Domestic and kitchen porcelain articles	331,895
Grindstones	3,969	Artificial teeth	25,833
Asbestos manufactures	14,810	Glass lamp chimneys	5,764
Emery cloth	7,748	Plain glass	68,557
Emery paper	12,466	Bevelled, engraved, etc., glass	6,112
Roman cement	483,062	Leaded, silvered and looking glass	113,242
White cement	6,448	Glass tiles	3,641
Gypsum powder	9,418	Demijohns, bottles, glass containers for liquids	34,183
Clay bricks, vitrified and enamelled	147,455	Small bottles and vials, glass	141,778
Chinaware (kitchenware)	12,250	Other glass containers	8,637
Chinaware other than kitchenware	2,817	Glass ampules for injections	15,797
Other clay manufactures	12,429	Glass lamps, chandeliers, etc.	20,177
Crucibles, etc.; refractory earth	8,876	Glass articles for laboratory	4,262
Crucibles, graphite	3,257	Glass articles for laboratory, graded	47,673
Porcelain insulators	22,053	Thermos bottles	118,599
Porcelain measures	2,599	Domestic glassware	150,532
Porcelain sanitary apparatus	56,151		
Ceramic fancy articles	27,683		

TEXTILE PRODUCTS

Artificial vegetable and natural silk thread	14,898	Silk knitted (jersey) fabrics	62,024
Silk cloth	74,559	Woollen hosiery	1,896
Velvet, plush, etc., ribbons	43,723	Woollen knitted (jersey) fabrics	92,974
Silk ribbons (cotton warp) for men's hats	34,958	Cotton gloves	17,598
Natural and artificial silk labels	3,285	Cotton hosiery	492,122
Mixed cotton and silk cloth	64,368	Knitted cotton underwear	12,546
Silk passementerie	9,876	Knitted cotton wearing apparel	4,032
Other fabrics, silk	2,335	Natural silk underwear	2,297
Woollen thread	75,864	Artificial silk underwear	2,399
Woollen cloth	367,970	Natural and artificial silk ties and belts for men and boys	3,855
Woollen carpets and rugs	8,761	Woollen clothing for women and misses	5,377
Woollen passementerie	5,222	Woollen wrappers, mufflers, etc.	30,735
Other woollen cloths and fabrics	7,636	Woollen mufflers adorned with needle-work	9,929
Cotton thread	69,493	Woollen belts for hat-making	50,500
Grey cotton fabrics	4,872	Other woollen articles	3,011
Cotton duck	8,802	Cotton clothing	2,873
Cotton drills	352,998	Cotton underwear	6,244
Dyed cotton fabrics	422,750	Cotton beddings, table covers, etc.	12,544
Cotton prints	154,581	Handkerchiefs	80,616
Cotton shoe-lining	9,516	Wrappers, mufflers, capes, etc., cotton	36,741
Cotton blankets	335,746	Garters, arm bands, etc., cotton	7,304
Cotton plush, velvets, etc.	10,841	Cotton corsets and belts	11,576
Cotton plush, velvets, ribbons	20,569	Cotton umbrellas and sunshades	63,573
Printed cotton ribbon	5,590	Cotton laces	10,665
Other cotton ribbons	13,725	Linen, jute, hemp and ramie wearing apparel	18,725
Cotton passementerie	37,873	Trimmed felt hats	25,587
Knitted goods, cotton	13,217	Felt bells for hat-making	40,533
Other cotton fabrics	3,491	Fibre power transmission belts	7,657
Linen, jute, ramie and other fabrics threads	40,924	Wicks, prepared for lighters	11,107
Fabrics of the above	15,613	Rubber manufactures	3,170
Felts, heavy	26,555	Clothing of rubberized cotton for men and boys	3,015
Felts, light, for clothing	12,210	Clothing of rubberized cotton for women and misses	1,850
Cotton ropes and cables	10,373	Crown or hat shapes of special fabric	12,291
Linen, jute, ramie and manila ropes	64,151	Brushes of all kinds, except tooth brushes	64,927
Percaline for bookbinding	13,971	Tooth brushes	12,836
Waxed and pitched fabrics	1,769	Manufactures of straw, palms, etc.	5,342
Rubberized cloth (oilcloth)	12,794		
Elastic ribbons and fabrics	59,674		
Elastic felts and fabrics	6,740		
Natural silk hosiery	78,003		
Artificial silk hosiery	21,856		

LEATHER AND RUBBER MANUFACTURES

Leather trunks, valises and handbags	5,832	Other leather articles	33,076
Handbags and purses of leather	4,347	Celluloid combs and hair adornments	50,375
Leather billfolds and cigarette cases	14,381	Other celluloid articles	23,739
Other leather travelling articles	4,853	Fountain pens	20,308
Leather and fur clothing	4,649	Rubber sheets, bands, ribbons and thread	3,538
Leather gloves	36,121	Rubber tubing	16,679
Leather power belts	5,271		

	Pesos
Rubber power belts	22,750
Leather articles for technical uses..	5,180
Rubber hose (water)	12,814
Solid or pneumatic rubber tires..	17,642
Rubber shoes	8,955
Rubber bedding	16,915
Rubber nipples	64,165

	Pesos
Apparatus and instruments for medicine and surgery	17,701
Rubber printing presses, stamps and erasers.	6,586
Rubber toys	5,565
Rubber combs.	28,034

PAPER AND CARDBOARD

Cardboard in rolls or sheets, plain ..	63,028
Cardboard in rolls or sheets, prepared	42,826
Cardboard, specialized	8,914
Book covering, filing folders, etc. . .	18,875
Cardboard boxes	8,291
Book-binding works without fabric, leather, ivory, pearl shell, etc. . .	75,465
Book-binding with ordinary cotton fabric, linen and rubber, etc. . .	21,203
Book-binding of cardboard combined with leather, silk fabrics, ivory, mother of pearl, etc.	2,183
Wrapping paper of one shade	95,828
Printing paper of one single shade (includes newsprint)	179,304
Glazed printing paper, one colour . .	147,620
Writing and drafting paper	62,043
White cardboard, or coloured, for cards, diplomas, etc.	78,695
Oiled, waxed, paraffined or otherwise prepared wrapping paper	4,261

Carbon paper	25,465
Gold and silver paper, etc.	15,141
Crepe paper, curled, folded, perforated or otherwise adorned or printed	12,451
Wallpaper	26,053
Sanitary paper	25,165
Tracing paper	3,488
Blueprinting papers	7,893
Plain silk paper (tissue)	24,232
Blotting and filtering paper	8,779
Chemically prepared reaction paper .	10,974
Other specially prepared papers. . .	10,028
Card with golden, black edges, etc..	5,398
Letter envelopes, plain	22,416
Other papers cut for special purposes	3,820
Letter paper, with envelopes in boxes	7,087
Paper bags, heavy	2,911
Paper bags, light weight	5,821
Copy-books, blank books, note-books	3,762
Paper table cloths and napkins . . .	10,798

LIBRARY AND OBJECTS OF ART

Paper bound books	18,941
Cardboard bound books	3,860
Calendars and almanacs	4,323
Above printed in various colours . .	4,507
Calendars of all kinds	6,054
Other printed matter of a single colour	54,943

Printed matter in various colours . .	38,131
Oleographs, chromes, stampings and engravings, without any printing	92,916
Above with advertisement in a single colour	22,812
Above with advertisements in various colours	16,456

NOTIONS, TOYS AND VARIOUS ARTICLES

Flowers and leaves, artificial plants and their parts, manufactured of some textile combined with other materials.	7,421
Imitation jewelry	76,669
Bone, ivory, glass, etc., holed buttons	4,739

Notions, not otherwise specified..	259,871
Toys, not otherwise specified..	147,811
Sporting goods	48,807
Writing, designing and printing articles, not otherwise specified.	26,295

METAL MANUFACTURES

Steel columns and girders	26,022
Steel and iron buildings	3,296
Steel and iron bridges and railings . .	7,395
Railroad and tramway rails	21,574
Nails, screws, nuts, etc., for railroads	9,249
Steel and iron piping less than 3 cm. in diameter	191,585
Iron and steel piping more than 5 cm. in diameter	784,804
Valves and meters for waterworks..	2,550
Iron and steel cables	44,887
Galvanized iron and steel wire . . .	168,631
Barbed wire for fences.	263,513
Wire netting, less than 3 mm. . . .	36,786
Wire netting 3 mm. and more . . .	28,467
Iron and steel chains	10,919
Iron and steel pulleys, all classes . .	11,963
Iron and steel bolts, screws, nuts, rivets	118,962
Iron and steel nails	55,961
Shoe-tacks	7,094

Scupper nails	14,469
Iron and steel table knives	43,000
Iron and steel knives for arts and trades	40,818
Pocket knives	142,137
Razors	18,569
Safety razors	18,775
Barbers' clippers	12,714
Safety-razor blades	36,581
Scissors, general.	92,543
Domestic articles of iron and steel, plain or galvanized, bronzed, painted or enamelled	100,166
Iron and steel pans, pots and kettles	8,976
Iron and steel kitchen batteries. . .	205,526
Iron and steel tanks, bath tubs and accessories, buckets, wash pans, etc.	230,359
Iron and steel press and flatirons . .	30,710
Iron and steel sanitary and domestic articles	32,512

METAL MANUFACTURES—*Concluded*

	Pesos
Iron and steel domestic furnitures ..	13,815
Iron and steel safes	2,944
Iron and steel ovens and Dutch ovens	4,056
Iron and steel stoves and kitchen ovens	3,671
Iron and steel reflectors (heat) .. .	4,782
Iron and steel spades, shovels, picks, rakes, crow bars, etc.	113,754
Axes, hatchets, machetes, iron and steel	330,106
Pinchers, tweezers, pruners, shears and similar tools for agriculture	14,537
Files and rasps, all classes	9,063
Frame and handsaws	46,453
Iron and steel carpenters' tools .. .	3,782
Iron and steel tools for arts and trades, n.e.i.	392,686
Iron and steel hammers	11,419
Iron and steel anvils	3,073
Locks, padlocks, and iron keys .. .	83,774
Steel and ironworks for buildings, furnitures, carts, galvanized or not, tinned, bronzed, varnished or painted	264,761
Same as above, nickelled, enamelled or coppered	139,013
Hand and machine needles for sewing, and all others except surgical	39,696
Surgical needles	5,054
Phonograph needles	7,257
Pins and hairpins	4,548
Forks and spoons (table)	11,727
Iron and steel pens, writing	60,259
Iron and steel penholders, paperweights and seals	16,666
Iron and steel deck articles	4,668
Alcohol, kerosene, gasoline and acetylene lamps	26,958
Lanterns	48,790

	Pesos
Ironworks and steelworks, galvanized, tinned, painted or enamelled, or not	214,437
Same as above, nickelled or coppered	78,301
Copper wire	60,530
Copper wire, insulated	112,523
Copper cables	31,541
Copper cables, insulated	22,943
Copper, brass and bronze tubing ..	4,128
Copper, brass and bronze valves and meters for waterworks	73,484
Copper, brass and bronze netting ..	18,472
Copper, brass and bronze nails, rivets, tacks, nuts, screws and links, etc.	10,227
Copper, brass and bronze articles, not nickelled	75,488
Same as above, nickelled	36,564
Implements and tools of copper, brass and bronze	15,838
Copper, brass and bronze furniture, with or without parts of iron ..	2,063
Copper, brass and bronze articles, not nickelled	72,931
Nickel and alloy articles	118,320
Aluminium and alloy kitchen batteries and cosmetic articles	36,180
Other aluminium and alloy articles ..	21,901
Lead and antimonium printing type	33,613
Lead stoppers for bottles	3,889
Other lead and antimonium articles ..	18,968
Zinc and alloy building material ..	23,671
Tin and alloy containers for oil paint, ointments, etc.	3,220
Accessories for lighters	8,788
Tin and alloy articles	3,347
Articles not mentioned, of common metals, gilded and silvered	76,372

MACHINERY AND APPARATUS

Electric generators and accessories ..	160,899
Electrical transformers	18,248
Electrical motors and accessories ..	112,284
Batteries for pocket lights	1,837
Other electric batteries and accessories	14,666
Radio receiving apparatus	250,581
Radio transmitting apparatus	13,272
Radio parts	7,193
Telephonic apparatus and accessories	3,078
Electric magnetic sets for domestic use	5,684
Filament electric lamp bulbs	101,677
Pocket and portable electric lamps ..	15,938
Radio-active apparatus for medicinal purposes	53,988
Meters for electric energy	16,593
Electric ice boxes and refrigerators	1,688
Electrical material: sockets, outlets, interruptors, etc.	152,250
Electric material and accessories, n.e.i.	45,603
Steam boilers and accessories	5,911
Steam turbines	11,803
Gasoline motors	51,145
Other internal combustion motors ..	158,685
Accessories for the above	62,239
Water turbines	88,913
Dredges of all kinds, and accessories	81,276
Pumps of all kinds, and accessories ..	36,092
Other mine, construction and transportation machinery	15,296
Weaving machinery and apparatus, and accessories	301,668

Machinery for leather working, and accessories	109,923
Sewing-machines	295,785
Sewing machine accessories	2,749
Tools and machinery and accessories for working wood	59,008
Tools and machinery and accessories for stone- and glass-working .. .	41,491
Tools and machinery with accessories, for metal-working	62,843
Pneumatic machinery	5,230
Ploughs, shears, and parts.	14,908
Wheel and hand rakes	5,227
Tractors and accessories for agriculture	9,347
Other agricultural machinery and accessories	44,976
Mowers and accessories	75
Threshers and accessories	2,017
Other agricultural machinery. . . .	16,476
Grain grinders and accessories .. .	87,149
Oil mills	19,076
Machinery for cane sugar mills .. .	40,861
Machinery for milk industry	2,311
Machinery for tobacco industry .. .	27,463
Machinery for beer industry	277,837
Machinery for printing industry .. .	111,253
Machinery for graphic arts	11,419
Plates (cliches) for graphic arts. . .	3,749
Accessories for machinery for printing and engraving	107,419
Calculating machines	21,595
Typewriters	217,279

	Pesos
Duplicating machines and apparatus, accessories and replacements. . .	8,863
Cheque-protecting apparatus	1,845
Adding machines.	4,607
Small machinery for domestic uses, accessories and replacements . .	29,285
Scales with a range from 1 kilo to 250 kilos	24,712
Same with a range above 250 kilos . .	1,834

	Pesos
Machinery for aerated waters, accessories and replacements	16,126
Machinery for making alimentary pastes, accessories and parts . .	58,376
Still of more than 5 gallons capacity, accessories and replacements . .	39,184
Paper-making machinery and accessories	3,326
Other machinery and apparatus n.e.i.	339,020

APPARATUS AND INSTRUMENTS OF PRECISION FOR SCIENCE AND MUSIC

Lenses and spectacles, mounted. . .	5,267
Telescopes, microscopes, binoculars, etc.	56,576
Photographic apparatus and accessories	186,004
Cinematographic and projection instruments.	3,909
Printed pelliculas for cinemas. . . .	24,999
Precision scales, and accessories . . .	20,097
Thermometers, barometers, etc. . . .	24,680
Mathematic cases and drawing instruments	5,575
Wooden meter rules.	8,526
Rubber meter rules	4,055
Rules, squares and similar articles. .	3,833
Steel ribbon meters.	3,669
Decimeters	10,860
Other measures and drafting instruments	2,472
Geodesic, meteorologic, hydrographic, etc., instruments	19,935

Medicinal, surgical and orthopedic instruments	70,596
Instruments and apparatus, not specified, and accessories	118,063
Silver watches	1,071
Metal watches (common)	4,381
Common metal wrist watches	21,796
Tower clocks	4,381
Stand and wall clocks	135,633
Cases, movements and pieces for watches	1,599
Pianos and harmoniums	4,647
Pieces and parts for organs	3,674
Accordions and mouth organs. . . .	49,377
Gramophones and their parts. . . .	10,398
Musical instruments, wind, string, direct percussion, and parts. . . .	24,304
Musical strings	26,971
Autoclaves.	4,879

ROLLING MATERIAL

Locomotives and accessories	3,797
Locomotion apparatus, not specified, and accessories	60,645
Passenger coaches	24,319
Freight and baggage cars	11,134
Other material for railroads and tramways.	9,348
Automobiles	218,902

Auto trucks with pneumatic tires . .	66,173
Chassis for trucks and cars	14,370
Springs, wheels with tires or not, for automotive vehicles	65,587
Motorcycles, bicycles, tricycles, and accessories	115,386
Coaches for children and invalids . .	15,797
Aeroplanes and accessories	156,978

VARIOUS

Jewellery	40,742
Wooden mouldings and frames	5,269
Wooden handles for tools and implements	23,232
Wooden furniture	4,048
Small boxes, silk or leather lined . .	13,275

Billiard cues	2,390
Rat and insect traps	15,726
Other wooden articles	10,461
Cork manufactures	19,331
Passengers' luggage.	50,526

CANADIAN PRODUCTS FOR SOUTH AMERICAN MARKETS

Mr. A. E. Bryan, Canadian Trade Commissioner at Liverpool, is in receipt of an inquiry from a prominent Manchester firm of importers and exporters as to the possibility of arranging with Canadian firms to supply their customers in South American countries, particularly Colombia and Venezuela, with certain commodities which, owing to wartime conditions, are difficult to obtain in the United Kingdom.

The principal commodities required by this firm are glucose; solder; spelter; and iron and steel products, particularly bars and sheets.

Interested Canadian firms are requested to communicate direct with Messrs. A. & S. Henry & Co., Ltd., Portland Street, Manchester 1, and to supply the Canadian Trade Commissioner at Liverpool with a copy of all correspondence.

TARIFF CHANGES AND TRADE REGULATIONS

United Kingdom

IMPORT LICENSING REGULATIONS

PAPER AND PAPER PRODUCTS

Mr. Frederic Hudd, Chief Canadian Trade Commissioner in the United Kingdom, in a cablegram of February 9 advises that a Board of Trade Order prohibits, except under licence, the importation into the United Kingdom of paper and board made from paper or pulp, whether coated or otherwise treated in any manner or not and whether consisting of more than one layer or not; also the following articles made wholly or mainly from paper or from board made from paper or pulp: composite paper and composite paper boards; corrugated paper and board; boxes, bags, cartons, cases, and other similar containers. The order is to become effective March 3, but goods despatched before that date will not require a licence. The object of the order, the Trade Commissioner states, is to assist in regulating supplies and distribution.

BACON, HAM AND LARD

The Acting Animal Products Trade Commissioner in London writes that at the request of the Ministry of Food the Board of Trade have issued an Order—The Import of Goods (Prohibition) (No. 2) Order, 1940—adding bacon and ham, including bacon or ham preserved (with or without other meats) in airtight containers and lard, refined or unrefined, to the list of commodities, the importation of which is prohibited except under licence.

The Ministry of Food wish to emphasize that the purpose of the order is to enable the Ministry to secure a proper control of the commodities, in order to regulate prices and to ensure the best use of the quantities of bacon and ham and lard which can be imported. The Ministry have provided for centralized purchase of the commodities in question.

The order will come into force on January 20, 1940, but any goods covered by the order which are proved to the satisfaction of the Customs authorities to have been despatched to the United Kingdom before the order came into effect will not require a licence.

Importers are warned that no open general licence permitting the import without specific licences of bacon and ham and lard from Eire or from Empire countries generally has been issued.

MEATS

Mr. Frederic Hudd, Chief Canadian Trade Commissioner in the United Kingdom, in a cablegram of February 10 advises that a Board of Trade Order adds the following to the list of goods the importation of which into the United Kingdom is prohibited except under licence: Sausages, except canned or otherwise preserved sausages; beef, veal, mutton, lamb, and pork, including beef, veal, mutton, lamb, pork and edible offals preserved (with or without vegetables or cereals) in airtight containers. The order is effective February 10, but goods despatched before that date will not require licences. The object of the order is to enable the Ministry of Food to secure proper control.

Sausages, canned or otherwise preserved, which are excluded from the foregoing order, have been subject to licence since September 5, and are in the category of goods for which licences will not be issued until further notice.

ALUMINIUM

The Chief Canadian Trade Commissioner in London writes that at the request of the Ministry of Supply the Board of Trade have issued an Order, the

Import of Goods (Prohibition) (No. 3) Order, 1940, prohibiting, except under licence, the importation of the following goods:—

Aluminium and alloys thereof containing more than 50 per cent by weight of aluminium (whether coated or plated or not) other than machinery parts, in the form of ingots, notch bars, lumps, cakes, sticks, billets, slabs, wirebars, plates, sheets, strip, circles, discs, flat stampings, bars and rods, angles, shapes and sections, tubes, wire, cable, foil (whether backed with other material or not), flakes, granules, scrap and old metal.

Aluminium and aluminium alloy waste or dross.

The order comes into operation on February 1, 1940, but goods covered by the order which are proved to the satisfaction of the Customs authorities to have been despatched to the United Kingdom before the order came into force will not require a licence.

The object of the order is to assist in regulating the supply of aluminium alloys and aluminium scrap in the forms listed above so that the needs of the Services are satisfied, the export trade is maintained as far as possible, and metal is available to produce certain essential goods for home industries, while limiting for exchange reasons the import of aluminium in these forms for non-essential purposes. While the granting of licences will depend on the circumstances of each case, and the conditions ruling at the time, applications to import such materials for the manufacture of goods for export will generally be allowed.

As no licences will be issued for the import of foil, which is defined as sheet, strip, etc., not exceeding 0.006 inch in thickness, applications for licences to import sheet and strip should accordingly specify thickness.

It is pointed out that aluminium powder has already been prohibited to be imported except under licence by the Import of Goods (Prohibition) (Consolidation) Order, 1939, and it is consequently not included in the schedule to the present order.

Licences will be issued by the Import Licensing Department of the Board of Trade on the recommendation of the Aluminium Controller, Ministry of Supply. Application for import licences must accordingly be submitted in duplicate direct to the Aluminium Controller, Ministry of Supply, Raven Hotel, Shrewsbury, England.

Jamaica

IMPORT LICENCE REQUIREMENTS

With reference to the notice in *Commercial Intelligence Journal* No. 1868 (November 18, 1939), page 943, respecting Jamaica's import licence requirements, Mr. F. W. Fraser, Canadian Trade Commissioner at Kingston, writes that, pursuant to an order issued by the Competent Authority and effective from and after February 1, 1940, no person is permitted to enter into final arrangements for the purchase abroad, or import into the Island of Jamaica from any country whatsoever, of any of the articles specified in the following schedule, except under the authority of a licence issued by the Competent Authority.

The order also provides that from and after February 29, 1940, none of the articles specified in the schedule imported from any country whatsoever will be allowed to be landed at any port within the Island, unless a licence to import such article has previously been applied for and been granted.

SCHEDULE

1. Men's and boys' shirts, singlets and shorts (underwear).
2. Ladies' ready-made dresses and petticoats (slips).
3. Pyjamas and nightdresses.
4. Advertising matter.
5. Clocks and watches.
6. Jewellery.

SCHEDULE—*Concluded*

7. Linen manufactures.
8. Musical instruments.
9. Perfumes and cosmetics.
10. Pure silk manufactures (excluding hosiery).
11. Wood and timber manufactures.
12. Furniture.
13. Motor vehicles and parts.
14. Radios and radio parts.

Trinidad

CHANGE IN IMPORT LICENSING SYSTEM

With reference to the article in *Commercial Intelligence Journal* No. 1864 (October 21, 1939), pages 753-4, official Trinidad Notices of January 30 and January 31, 1940, revised previously—imposed import licensing regulations.

A Notice of September 26, 1939, prohibited importation of all goods except under licence of the Competent Authority. This Notice was amended on October 3 exempting imports from all Empire countries other than Canada, Newfoundland, Hongkong and the Sudan from the requirement of import licence. The new Notice of January 30 cancels the amendment of October 3 and in place thereof publishes the following for the guidance of those concerned:

1. As and from the 1st February, 1940, it is proposed to issue Special General Licences under the Imports and Exports Control Regulations for the import of goods from any country or dependency of the British Empire with the exception of Canada, Newfoundland and Hongkong.
2. Import licences will not be required in respect of live stock and domestic supplies imported from British West Indies Colonies and from British Guiana.
3. General Import Licences already issued in respect of importations from countries other than those referred to in paragraph 1 hereof will continue in force under the conditions attached to those licences.

The new Trinidad Notice of January 31 contains the following further announcement:

It is hereby notified for general information that licences will be issued for the importation from Canada of all goods which are permitted to be imported from the United Kingdom or any country or dependency of the British Empire (except Newfoundland, Hongkong and the Sudan.)

Costa Rica

DOCUMENTATION OF SHIPMENTS

Mr. H. W. Brighton, Canadian Trade Commissioner at Panama City, writes under date February 2, 1940, that to prevent repetition of irregularities which have been occurring in the preparation of documents for shipments of goods to Costa Rica, a notice in the *Official Gazette* of January 25, 1940, draws attention to the fact that a consular invoice is not necessary as this was replaced by the "Original Commercial Invoice of the Vendor" under Law 4 of September, 1930.

The "Original Commercial Invoice of the Vendor" must be presented in triplicate, together with the bill-of-lading, and the request for customs release, when claiming goods at the customs house.

The "Original Invoice of the Vendor" must show the following information and fulfil the following requirements:—

- (a) Name and full address of the vendor.
- (b) Place and date of the shipment.
- (c) Name and full address of the consignee.
- (d) Port of shipment.
- (e) Port of arrival.
- (f) Name of steamer and date of departure.
- (g) Marks, numbers, quantity and class of packages.
- (h) Detailed specification of the contents of each package.
- (i) Net weight of each article and gross weight of each package.
- (j) Detailed value of each article and total amount of expenses up to the port of entry.
- (k) Country of origin of the merchandise.
- (l) Signature of the vendor or his authorized representative.

In addition to the above, the invoice must also show the number of units in the case of the following articles and of such additional articles as may be added from time to time:—

Aeroplanes	Boats	Cinematographs
Radio apparatus	Iron safes	Kitchen stoves
Arms of all classes	Cash registers	Lavatories
Auto trucks	Steam boilers	Fire extinguishers
Bicycles	Beds of all classes	Filters
Billiards	Wagons and carriages	Phonographs
Hydraulic pumps	Railroad and tramway cars	Forges
Locomotives	Typewriters	Motor cars
Rubber tires	Photographic apparatus	Motors of all classes
Calculating machines	Adding machines	Motorcycles
Sewing machines	Windmills	Kettles
Furniture, household	Pianos and pianolas	Electric irons
Scales	Iron tanks	Wooden tanks
Tractors	Cane mills	Velocipedes

Particular attention is drawn to a further requirement which stipulates that the invoice must be made in Spanish and the numerical data must be in the decimal-metric system. There must be left a space or column for annotations.

Ceylon

DUTIES INCREASED ON UNMANUFACTURED TOBACCO

The Ceylon Government *Gazette* of December 5 announces an increase of the British preferential tariff rate on unmanufactured tobacco from 4 rupees (\$1.35) per pound to 5 rupees (\$1.68) per pound, and the general tariff rate from 4.30 rupees (\$1.45) to 5.30 rupees (\$1.78) per pound. British preferential tariff rates are applicable to Canada and other Empire countries.

United States

SILVER OR BLACK FOX QUOTA

Mr. D. S. Cole, Canadian Trade Commissioner at New York, under date February 9 reports advice from the United States Treasury Department that the February, 1940, quotas for Canada and for other countries of silver or black fox fur units, as provided in the supplementary trade agreement with Canada, have been exhausted. Entry or withdrawal from warehouse for consumption of these commodities subject to quota limitation is, therefore, prohibited until the beginning of the next monthly quota period on March 1, 1940.

Preliminary data indicate that approximately 3,200 units of silver or black fox from Canada may be entered or withdrawn from warehouse during the period from March 1 to November 30, 1940, all of which may be released during March.

The above quota resulted from a supplementary trade agreement between Canada and the United States, signed at Washington on December 30, 1939, the agreement relating solely to the treatment of silver or black foxes, silver or black fox furs and skins, and related articles imported into the United States.

This agreement, effective January 1, 1940, limited the imports into the United States of silver or black foxes, furs, etc., to 100,000 units in any twelve-month period beginning December 1. For the period January 1 to November 30, 1940, the limit was set at 100,000 units less the number imported during the month of December, 1939, and the Canadian allocation was 58,300 units.

Bolivia

CONSULAR FEE

With reference to the article in the *Commercial Intelligence Journal* of February 10, last, page 225, regarding payment by the exporter of the Bolivian consular fee of 6 per cent ad valorem, Mr. Paul Viau, Consul of Bolivia, in Montreal, writes that this requirement has been suspended indefinitely, so that the fee will continue to be collected at the custom house in Bolivia as heretofore.

BRITISH TRADE COMMISSIONERS IN CANADA

Canadian importers and others desirous of obtaining information regarding the export trade of the United Kingdom and Canadian firms desirous of representing British manufacturers in Canada are invited to communicate with the undermentioned:—

The Senior British Trade Commissioner in Canada and Newfoundland, 56 Sparks St., Ottawa. Telegraphic address: "Britcom."

The British Trade Commissioner (for Quebec, the Maritime Provinces and Newfoundland). 1111 Beaver Hall Hill, Montreal, Que. Telegraphic address: "Britcom."

The British Trade Commissioner (for Ontario), 901-905 Bank of Hamilton Building, Toronto, Ont. Telegraphic address: "Toroncom."

The British Trade Commissioner (for Alberta and British Columbia), 850 West Hastings Street, Vancouver, B.C. Telegraphic address: "Vancom."

The British Trade Commissioner (for Manitoba, Saskatchewan and Northwest Ontario), 703 Royal Bank Building, Winnipeg, Man. Telegraphic address: "Wincom."

EXCHANGE CONDITIONS IN FOREIGN COUNTRIES

Brazil

L. S. GLASS, CANADIAN TRADE COMMISSIONER

Rio de Janeiro, January 3, 1940.—There has been no modification of the Brazilian exchange regulations, and exchange for the payment of imported goods may be obtained immediately, if such goods have been cleared through the Brazilian customs houses and documents approved by the Exchange Control Board. In some instances, as in the case of materials of prime importance to Brazil, exchange may be obtained prior to the actual clearance of goods through the customs, but in such cases proof of shipment is essential. As for the availability of foreign exchange, it would appear that the supply was augmented during the last three months of the year.

Honduras

R. T. YOUNG, CANADIAN TRADE COMMISSIONER

Mexico City, February 3, 1940.—During the last half of 1939 there was an extreme shortage of foreign exchange in the Republic of Honduras. In consequence, merchants found it impossible to fulfil their obligations. It is reported that, as of November 1 last, there were on deposit in banks awaiting remittance abroad lempiras equivalent to \$335,000, of which approximately 90 per cent was due United States firms. This will explain why some Canadian exporters doing business in Honduras, who have complained to their agents of slow pay on the part of their customers, have not received payment. To date this

shortage continues and no improvement in the situation is expected in the immediate future.

Canadian exporters to Honduras therefore should use careful judgment in opening up new accounts and in extending credit; not because buyers are not sound, but because of the difficulty they may expect in obtaining remittances.

Bolivia

S. G. MacDONALD, ASSISTANT TRADE COMMISSIONER

Lima, Peru, January 24, 1940.—Stringent exchange control measures are in force in Bolivia. During the first ten months of 1939, importers experienced great difficulties in obtaining moderate proportions of exchange, even for necessities, but following the outbreak of war and the rise in the value of tin on world markets, coupled with increased quotas to all tin producing nations, among which Bolivia is important, foreign exchange supplies were considerably augmented.

On October 1, 1939, a decree law greatly modified the exchange control regulations which had been in effect since the previous June 7 and July 7 respectively. By this law the provision that 100 per cent of foreign exchange obtained by tin mining companies had to be turned over to the Central Bank of Bolivia, was changed to a compulsory delivery of 50 per cent of exchange obtained, based on the old International Tin Committee's quota of 45 per cent of supposedly normal production. A smaller percentage, according to a sliding scale, of the exchange realized on tin exports in excess of that quota was also provided for.

While reliable mining experts in close touch with Bolivian mining conditions state that Bolivian tin mines cannot produce sufficient tin to meet the new and enlarged quotas allotted to Bolivia by the International Tin Committee, nevertheless production has increased, and prices on world markets have advanced appreciably, so that in November and December fair quantities of foreign exchange became available for commercial purposes. The following figures of government receipts of foreign exchange during the first ten months of 1939 reflect the recent change in the situation as to exchange available for governmental, commercial, industrial and other purposes:—

Month	£ Stg.
January to June (inclusive) (average)	192,000
July	212,000
August	72,000
September	215,000
October	390,000

La Nación of La Paz stated that for November last the Government had arranged for distribution of foreign exchange totalling £429,000, of which £260,000 was allotted to commerce and industry for articles of prime necessity, etc.

IMPROVEMENT IN EXCHANGE SITUATION

Authorities estimated that government receipts of foreign exchanges would be in the neighbourhood of £400,000 during the final two months of 1939 and would drop to about £350,000 for the duration of the war. With normal needs of about £320,000 per month, it would appear that on such a basis ample exchange will be available for the importation of foreign products.

While the above figures clearly indicate that exchange conditions have markedly improved in recent months, Canadian exporters to Bolivia, especially in the case of new accounts, should continue to exercise caution. While credit might be extended in a normal way to established houses of undoubted reputation with whom relations in the past have been satisfactory, it is recommended that sales generally be made as hitherto, namely, for cash with order.

Ecuador

S. G. MACDONALD, ASSISTANT TRADE COMMISSIONER

Lima, Peru, January 26, 1940.—Until the end of 1939 Ecuador regulated the supply and demand of foreign exchange by means of import control. Various methods and refinements of such methods were put into effect from time to time. These included quotas and the advance deposit of a portion of the purchase price of imported goods in the Banco Central del Ecuador. This latter method, which required the deposit of 30 per cent of the f.o.b. port of shipment value of the goods, was made effective on July 1, 1939, but for certain articles of necessity smaller percentages were required. Subsequently, by a decree dated October 11, the compulsory deposits were reduced to 15 per cent. By this latter, and also subsequent decrees, the list of articles exempt from such advance deposits was increased considerably.

Throughout the final quarter of 1939 the Banco Central quoted United States dollars at the pegged rate of 15 sucres, but for the payment of import drafts exclusively. Generally speaking, funds were available in fair volume to import permit holders at the Commercial Banks at rates between 15.05 sucres and 15.20 sucres to the United States dollar, but during the last month of the quarter rates were fairly stable at between 15.10 and 15.12 sucres.

On December 23 a new Decree law was published, effective January 1, 1940, whereby as from the latter date all import control ceased, and all advance deposits held by the Banco Central del Ecuador were required to be returned to their importer owners. Thus from January 1, 1940, there are no longer either import control or exchange measures in Ecuador.

As the effect of this removal of import control on both exchange availability and rates is yet uncertain, coupled with a recent change of the Ecuadorian Government, the policy of which is still not clearly defined, Canadian exporters to Ecuador are advised to continue selling in that market on a basis of at least cash against documents deposited in a bank.

Japan

C. M. CROFT, COMMERCIAL SECRETARY

Tokyo, January 19, 1940. Foreign exchange transactions in Japan are subject to very strict control, the permission of the Ministry of Finance being required for the purchase of all foreign exchange other than small amounts.

When foreign exchange is required to pay for goods purchased, permission is required to remit more than 100 yen, or its equivalent, per month, this being the aggregate amount of "free" exchange each month, not 100 yen for each class or kind of goods purchased. Exchange permits to pay for imports are largely confined to those items which are classed as essentials and which are urgently required in Japan. Consequently Canadian exporters should not ship to Japan until they are sure that the necessary permit has been issued or has at least been authorized, otherwise there may be delay in securing payment.

For purposes other than payment for goods, exchange transactions are also strictly controlled. For travelling expenses a permit is necessary for amounts in excess of 500 yen, and similarly not more than that amount may be sent each year to persons resident or travelling abroad without the permission of the Finance Ministry.

In some specified cases, such as marine insurance, 1,000 yen per year may be remitted without a permit. For general unspecified purposes the amount of foreign exchange which may be purchased without a permit is limited to 100 yen per year.

FOREIGN EXCHANGE QUOTATIONS: WEEK ENDING FEB. 12, 1940

The Foreign Exchange Division of the Bank of Canada has furnished the following statement of the nominal closing quotations for all the principal exchanges for the week ending Monday, February 12, 1940, and for the week ending Monday, February 5, 1940, with the official bank rate:—

Country	Unit	Present or Former Gold Parity	Nominal Quotations in Montreal Week ending Feb. 5	Nominal Quotations in Montreal Week ending Feb. 12	Official Bank Rate
Belgium	Belga	.1001	\$.1876	\$.1874	2
Bulgaria	Lev	.0072	.....	.....	—
Denmark	Krone	.2680	.2143	.2143	5½
Finland	Markka	.0252	.0194	.0192	4
France	Franc	.0392	.0250	.0249	2
Great Britain	Pound	4.8666			
	Buying		4.4300	4.4300	2
	Selling		4.4700	4.4700	—
Greece	Drachma	.0130	.0080	.0079	6
Holland	Guilder	.4020	.5892	.5897	3
Hungary	Pengo	.1749	.3227	.3227	4
	Unofficial		.....	.1955	—
Italy	Lira	.0526	.0560	.0560	4½
Yugoslavia	Dinar	.0176	.0250	.0251	5
Norway	Krone	.2680	.2521	.2521	4½
Portugal	Escudo	.0442	.0402	.0403	4-4½
Roumania	Leu	.0060	.....	.....	—
Spain	Peseta	.1930	.1104	.1104	5
Sweden	Krona	.2680	.2642	.2643	3
Switzerland	Franc	.1930	.2489	.2488	1½
United States	Dollar	1.0000			
	Buying		1.1000	1.1000	1
	Selling		1.1100	1.1100	—
Mexico	Peso	.4985	.1847	.1848	3
Cuba	Peso	1.0000	.....	.....	—
Guadeloupe	Franc	.0392	.0250	.0249	—
Jamaica	Pound	4.8666	4.4800	4.4800	—
Martinique	Franc	.0392	.0250	.0249	—
Other British West Indies	Dollar	1.0138	.9313	.9313	—
Argentina	Peso (Paper)	.4245	.3304	.3304	3½
	Free		.2536	.2597	—
Brazil	Milreis (Paper)	.1196	.0673	.0673	—
	Free		.0555	.0558	—
British Guiana	Dollar	1.0138	.9313	.9313	—
Chile	Peso	.1217	.0574	.0574	3-4½
	Export		.0444	.0444	—
Colombia	Peso	.9733	.6356	.6357	4
Peru	Sol	.2800	.....	.....	6
Venezuela	Bolivar	.1930	.....	.....	—
Uruguay	Peso	1.0342			
	Controlled		.7307	.7307	—
	Uncontrolled		.4069	.4107	—
South Africa	Pound	4.8666	4.4600	4.4600	3½
Egypt	Pound (100 Piastres)	4.9431	4.5800	4.5800	—
China (Shanghai)	Dollar	.....	.0815	.0783	—
Hongkong	Dollar	.....	.2744	.2733	—
India	Rupee	.3650	.3359	.3359	3
Japan	Yen	.4985	.2602	.2602	3.29
Java	Guilder	.4020	.....	.....	—
Thailand (Siam)	Baht (Tical)	.4424	.4057	.4042	—
Straits Settlements	Dollar	.5678	.5187	.5166	—
Australia	Pound	4.8666	3.5800	3.5800	3
New Zealand	Pound	4.8666	3.5900	3.5900	4

The Dominion Bureau of Statistics has supplied the following note:—

There were substantial declines in sterling free rates and Canadian funds at New York during the week ended February 12. Quotations on the pound sterling dropped from a peak of \$3.99 on the 5th to a low of \$3.96½ on the 10th. During the same interval the Canadian dollar eased from 87½ cents to 86½ cents, bringing the rate to its lowest level since the last week of November. Owing to the public observance of Lincoln's birthday in the United States, no rates were available for the 12th. At Montreal the French franc closed unchanged for the week at 2.51 cents while neutral European units were mixed. The belga was off 5 points to 18.71 cents on the 12th, while the florin moved up 7 points to 58.99 cents. No change occurred in buying and selling rates set by the Canadian Foreign Exchange Control Board for sterling and United States funds. These remained at \$4.43-\$4.47 and \$1.10-\$1.11 respectively.

TRADE OPPORTUNITIES ABROAD FOR CANADIAN PRODUCTS

The Trade Inquiries for Canadian products published below have been received since the publication of the last issue of the *Commercial Intelligence Journal*. Interested exporters may secure the names and addresses of the firms making these inquiries, together with further details regarding the commodities required, on application to the Director, Commercial Intelligence Branch, Department of Trade and Commerce, Ottawa, or—

Secretary, Board of Trade—

Saint John, N.B.	Guelph, Ont.	Portage la Prairie, Man.
Halifax, N.S.	Kitchener, Ont.	St. Boniface, Man.
Quebec, P.Q.	Brantford, Ont.	Winnipeg, Man.
Montreal, P.Q.	Stratford, Ont.	Vancouver, B.C.
Toronto, Ont.	Woodstock, Ont.	New Westminster, B.C.
Chatham, Ont.	St. Mary's, Ont.	

Secretary, Chamber of Commerce—

Sherbrooke, P.Q.	Peterborough, Ont.	Victoria, B.C.
Kingston, Ont.	London, Ont.	Prince Rupert, B.C.
Oshawa, Ont.	St. Catharines, Ont.	
Belleville, Ont.	Hamilton, Ont.	

Windsor Chamber of Commerce, Windsor, Ont.

Commercial Intelligence Service, Department of Municipal Affairs, Trade and Commerce, Quebec.

Department of Industry, Brantford, Ont.

Industrial Commissioner, Stratford, Ont.

La Chambre de Commerce de Montréal, 25 St. James E., Montreal, P.Q.

Secretary, Canadian Manufacturers Association—

Toronto, Ont.	Winnipeg, Man.	Vancouver, B.C.
Montreal, P.Q.	Edmonton, Alta.	Victoria, B.C.

Director, Bureau of Industrial and Trade Extension, Department of Trade and Industry, Victoria, B.C.

Canadian exporters should, for follow-up purposes, transmit a copy of any reply sent in response to a Trade Inquiry to the Trade Commissioner in the territory from which the inquiry emanated.

Commodity	No.	Location of Inquirer	Purchase or Agency
Foodstuffs—			
Canned Fruits and Vegetables...	94	Kingston, Jamaica.....	Purchase.
Kipperd Herring.....	95	New York City, New York	Agency.
Onions.....	96	Kingston, Jamaica.....	Purchase.
Wheat Flour.....	97	Port Louis, Mauritius.....	Purchase and Agency.
Certified Seed Potatoes.....	98	Vedado, Havana.....	Purchase.
Miscellaneous—			
Canvas Shoes.....	99	Glasgow, Scotland.....	Agency.
Rubber Boots.....	100	Glasgow, Scotland.....	Agency.
Old Newspapers.....	101	Hongkong.....	Purchase.
Garden Tools (Wheelbarrows, Picks, Spades, and Shovels)...	102	Glasgow, Scotland.....	Agency.

COMMERCIAL INTELLIGENCE SERVICE

L. D. WILGRESS, *Director*

Argentina

J. A. STRONG, B. Mitre 430, Buenos Aires (1). (Territory includes Uruguay.) *Cable address, Canadian.*

Australia

Sydney: L. M. COSGRAVE. Address for letters—P.O. Box No. 3952V. Office—City Mutual Life Building, Hunter and Bligh Streets. (Territory includes the Australian Capital Territory, New South Wales, Queensland, Northern Territory and Dependencies.) *Cable address, Canadian.*

Melbourne: FREDERICK PALMER, 83 William Street, Melbourne, C.I. (Territory includes States of Victoria, South Australia, Western Australia, and Tasmania.) *Cable address, Canadian.*

Belgium and Luxemburg

YVES LAMONTAGNE, Commercial Attaché, Shell Building, 60 rue Ravenstein, Brussels. *Cable address, Canadian.*

Brazil

L. S. GLASS. Address for letters—Caixa Postal 2164, Rio de Janeiro. Office—Ed. Da. "A. Noite," Sala 802, Praca Maua. *Cable address, Canadian.*

British India

PAUL SYKES. Address for letters—P.O. Box 2003, Calcutta. Office—23 Esplanade Mansions, Government Place East, Calcutta. (Territory includes Burma and Ceylon.) *Cable address, Canadian.*

British Malaya

J. L. MUTTER, Union Building, Singapore, Straits Settlements. (Territory includes the Straits Settlements, the Federated Malay States, the Unfederated Malay States, Thailand, British Borneo, and Netherlands India.) *Cable address, Canadian.*

British West Indies

Trinidad: M. B. PALMER. Address for letters—P.O. Box 125, Port of Spain. Office—Barclay's Bank Building. (Territory includes Barbados, Windward and Leeward Islands, and British Guiana.) *Cable address, Canadian.*

Jamaica: F. W. FRASER, P.O. Box 225, Kingston. Office—Canadian Bank of Commerce Chambers. (Territory includes the Bahamas and British Honduras.) *Cable address, Canadian.*

China

V. E. DUCLOS. Address for letters—P.O. Box 264, Shanghai. Office—Ewo Building, 27 The Bund, Shanghai. (Territory includes Central China and North China.) *Cable address, Canadian.*

Cuba

C. S. BISSETT. Address for letters—Apartado 1945, Havana. Office—Royal Bank of Canada Building, Calle Aguiar 367, Havana. (Territory includes Haiti, the Dominican Republic, and Puerto Rico.) *Cable address, Canadian.*

Egypt

HENRI TURCOT. Address for letters—P.O. Box 1770, Cairo. Office—22 Shari Kasr el Nil, Cairo. (Territory includes the Sudan, Palestine, Cyprus, Iraq, Syria, Iran, Greece, Turkey, Bulgaria, and Roumania.) *Cable address, Canadian.*

France

HERCULE BARRÉ, Commercial Attaché, 3 rue Scribe, Paris (9). (Territory includes French Colonies in North Africa.) *Cable address, Cancomac.*

Hongkong

P. V. McLANE. Address for letters—P.O. Box 80, Hongkong. Office—Hongkong and Shanghai Bank Building, Hongkong. (Territory includes South China, the Philippines, and Indo-China.) *Cable address, Canadian.*

Ireland

JAMES CORMACK, 66 Upper O'Connell Street, Dublin, Ireland (*cable address, Canadian*); and 36 Victoria Square, Belfast, Northern Ireland.

Italy

A. B. MUDDIMAN, Via Manzoni Nr. 5, Milan (102). (Territory includes Spain, Portugal, Gibraltar, Malta, Albania, and Yugoslavia.) *Cable address, Canadian.*

CANADIAN GOVERNMENT TRADE COMMISSIONERS—*Con.*

Japan

C. M. CROFT, Commercial Secretary. Address for letters—P.O. Box 18, Akasaka Post Office, Tokyo. Office—Canadian Legation, 16 Omotecho, 3-chome, Akasakaku, Tokyo. *Cable address, Canadian.*

Mexico

R. T. YOUNG. Address for letters—Apartado Num. 126-Bis, Mexico City. Office—Edificio Banco de Londres y Mexico, Num. 30, Mexico City. (Territory includes Guatemala, Honduras, and Salvador.) *Cable address, Canadian.*

Netherlands

J. A. LANGLEY, Commercial Attaché, Coolsingel 111b, Rotterdam. (Territory includes Switzerland.) *Cable address, Canadian.*

New Zealand

W. F. BULL. Address for letters—P.O. Box 33, Auckland. Office—Yorkshire House, Shortland Street, Auckland. (Territory includes Fiji and Western Samoa.) *Cable address, Canadian.*

Norway

RICHARD GREW, Stortingsgaten 28, Oslo. (Territory includes Sweden, Denmark, and Finland.) *Cable address, Canadian.*

Panama

H. W. BRIGHTON. Address for letters—P.O. Box 222, Panama City. Office—98 Central Avenue, Panama City. (Territory includes the Canal Zone, Venezuela, Colombia, Nicaragua, and Costa Rica.) *Cable address, Canadian.*

Peru

M. J. VECHSLER. Address for letters—Casilla 1212, Lima. Office—Edificio Boza, Carabaya 831, Plaza San Martin, Lima. (Territory includes Bolivia, Ecuador, and Chile.) *Cable address, Canadian.*

South Africa

Cape Town: J. C. MACGILLIVRAY. Address for letters—P.O. Box 683. Office—New South African Mutual Buildings, 17 Parliament Street. (Territory includes Cape Province and Southwest Africa, Natal, Tanganyika, Kenya, Uganda, Mauritius, and Madagascar.) *Cable address, Cantracom.*

Johannesburg: J. H. ENGLISH. Address for letters—P.O. Box 715. Office—Prudential Assurance Building, 92 Fox Street. (Territory includes Transvaal, Orange Free State, the Rhodesias, Portuguese East Africa, Mozambique, and Nyasaland.) *Cable address, Cantracom.*

United Kingdom

London: FREDERIC HUDD, Chief Trade Commissioner in the United Kingdom, Canada House, Trafalgar Square, S.W.1. *Cable address, Sleighing, London.*

London: H. A. SCOTT, Trade Commissioner, Canada House, Trafalgar Square, S.W.1. *Cable address, Sleighing, London.*

London: G. R. HEASMAN, Trade Commissioner, Canada House, Trafalgar Square, S.W.1. (Territory includes Home Counties, Southeastern Counties, and East Anglia; also British West Africa.) *Cable address, Sleighing, London.*

London: W. B. GORNALL, Fruit Trade Commissioner, Aldine House, Bedford Street, Strand, W.C.2. *Cable address, Canfrucum.* (Territory—for fresh fruit only—includes United Kingdom, Norway, Denmark, Sweden, France, Holland, and Belgium).

London: G. R. PATERSON, ANIMAL PRODUCTS TRADE COMMISSIONER, Canada House, Trafalgar Square, S.W.1. *Cable address, Agrilson.*

Liverpool: A. E. BRYAN, Martins Bank Building, Water Street. (Territory includes North of England, Lincolnshire, North Midlands, and North Wales.) *Cable address, Canadian.*

Bristol: E. L. MCCOLL, Northcliffe House, Colston Avenue. (Territory includes West of England, South Wales, and South Midlands.) *Cable address, Canadian.*

Glasgow: G. B. JOHNSON, 200 St. Vincent Street. (Territory covers Scotland.) *Cable address, Cantracom.*

United States

New York City: D. S. COLE, British Empire Building, Rockefeller Center. (Territory includes Bermuda.) *Cable address, Cantracom.*

Chicago: W. J. RIDDIFORD, Tribune Tower, 435 North Michigan Avenue. *Cable address, Canadian.*

Los Angeles: B. C. BUTLER, Associated Realty Building, 510 West Sixth Street. *Cable address, Canadian.*

Note.—Bentley's Second Phrase Code is used by Canadian Trade Commissioners.

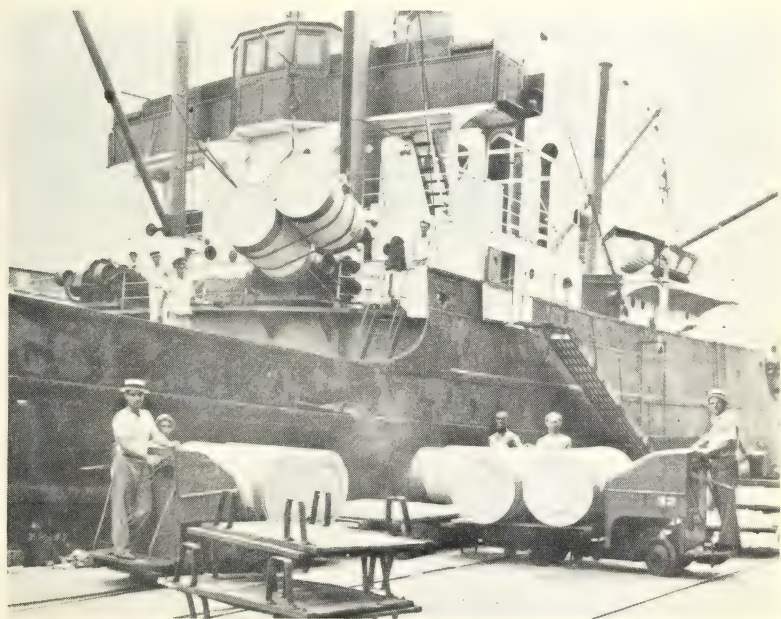
or. 1502
Can
J

COMMERCIAL INTELLIGENCE JOURNAL

Vol. LXII

Ottawa, February 24, 1940

No. 1882



Canadian Newsprint being unloaded at Havana Cuba

ISSUED BY AUTHORITY OF
THE HON. W. D. EULER, MINISTER OF TRADE AND COMMERCE
JAMES G. PARMELEE, DEPUTY MINISTER



CONTENTS

	Page
Business Conditions in the United States in 1939	279
Control of Fertilizers in the United Kingdom.....	288
Control of Feedstuffs in the United Kingdom.....	290
Australian Wheat and Flour	291
Canada's Domestic Exports to the United States of Principal Commodities affected by the Canada-United States Trade Agreement: Month of January, 1939 and 1940.....	292
Market for Canadian Granite in the Eastern United States...	298
Opportunities for Canadian Newsprint in Egypt.....	302
Argentina's Exports of Agricultural Products in 1939.....	303
German Trade with Cuba	307
Germany's Position in the Trade of Panama.....	314
Trade of the Philippine Islands in 1938.....	315
Foreign Trade of Iraq in 1938	318
Foreign Trade of the Levant States under French Mandate in 1938	319
Tariff Changes and Trade Regulations	320
Foreign Exchange Quotations	323
Trade Inquiries for Canadian Products	324
Commercial Intelligence Service	325

COMMERCIAL INTELLIGENCE JOURNAL

Issued Every Saturday by the Department of Trade and Commerce

PUBLISHED in English and French. Subscription Price for either edition: \$1 per annum in Canada (single copies 5 cents each); \$3.50 outside the Dominion (single copies 10 cents each). Remittances, which may be made by Post Office or Express Orders, or Drafts, or Cheques, payable at par in Ottawa, should be addressed to the King's Printer, Government Printing Bureau, Ottawa.

Vol. LXII

Ottawa, February 24, 1940

No. 1882

BUSINESS CONDITIONS IN THE UNITED STATES IN 1939

D. S. COLE, CANADIAN TRADE COMMISSIONER

New York, February 12, 1940.—The year 1939 has been one of increasing business recovery in the United States. In many respects similar to 1938, it has shown a continuance of irregular business expansion. As in 1938, the upward movement developed momentum in the latter part of the year, the low point being April following upon certain prolonged labour disputes. The general business expansion continued without interruption throughout the final six months of the year.

The outbreak of the European war, contrary to expectation and in contrast with what happened in 1914, had a stimulating effect in many directions, despite recognition of the fact even in the early stages that war buying would be confined to a few specialized lines, such as aviation.

The year closed with industrial production close to the highest level on record with the Federal Reserve Index at 124 per cent of 1923-1925 average for November, this percentage being almost equal to the 1929 peak. This comparison, however, ignores the factor of normal growth which is 7 per cent greater than in 1929. Thus industrial production, based on a correct comparison, was considerably below the peak figure.

Taking the year as a whole, the comparison with earlier periods is much less favourable, the average level of industrial production in the first six months of the year being below 104 per cent as against 86 per cent in 1938, 110 per cent in 1937, 105 per cent in 1936, and 119 per cent in 1929. Taking into account the various trades and activities which go to make up industrial activity, it can be safely said that 1939 was better than 1938. Subsequent details in this report show that steel production, building trades, automobile production and newsprint output all had a satisfactory increase. This likewise applies to the important factors of car loadings and bank clearings, although the latter only increased by a small percentage over the previous year.

The history of United States industry has been one of long-term growth, with each peak of the industrial output surpassed by a higher one. Never before has so long a period as ten years elapsed between one peak and the next, and the only theory of the seven year business cycle was largely based on these factors.

War orders, except for aviation and machine tools, have not been of major importance. The effect of the war has been largely psychological inasmuch as the desire to spend has been stimulated and confidence inspired.

STEEL INDUSTRY

The steel industry ended 1939 with production at the highest rate in history for this season and with large back-logs. Due to the war in Europe, active buying by domestic consumers has led to the question of inventories. The consumers who had been holding back their orders because of price uncertainty, rushed to

replenish supplies and cover requirements as soon as war was declared. Although the war gave impetus to the steel demand in this country there were definite signs of improvement early in August when operations rose above the first-half average.

PRICE POLICY

The steel industry is still confronted with the problem of arriving at a suitable price policy. The chief point at issue is whether steel prices are a major factor in the volume of demand.

The price history of 1939 indicated that periods of weakness in price do not make for increased buying, but that price reductions frighten off consumers and result in a demand even below that justified by prevailing conditions. At the beginning of the year the price situation was decidedly unsettled and as early as January there was considerable shading through the waiving of "extras", which were supposed to prevail on certain goods. This policy continued until September when heavy European buying arrived and the price structure stiffened. Since then quotations have been firmly held and consumers are no longer looking around for concessions.

PRODUCTION

Production for the whole of 1939, as reported by the American Iron and Steel Institute, was 45,768,899 gross tons, a rise of 65 per cent as compared with 27,742,225 tons in 1938, and 16 per cent below the peak year of 1929 when output was 54,312,279 gross tons. The industry operated at 64.29 per cent of capacity during the past year as compared with 39.65 per cent in 1938. The larger part of the output came in the second half of 1939 when it was approximately 27,200,000 tons as against 18,490,780 tons in the first six months of the year.

The upturn of the steel industry in the last half of the year, of course, was featured by the heavy European purchases. However, the automobile industry, the largest consumer of alloy steel, the railroads, the construction industry and small lines continued to take their share of steel production.

MODERNIZATION OF EQUIPMENT

The United States steel industry virtually completed its modernization program which cost \$1,500,000,000 over a ten-year period. The modernization was financed mainly by the steel industry's earnings despite the meagreness of average results over the decade.

PIG IRON

Pig iron output for 1939 totalled 31,533,370 tons, a gain of 67.3 per cent from the 1938 production of 18,782,236 tons. On January 1, 1940, there were 191 furnaces in blast as against 117 in blast on January 1, 1939.

AUTOMOBILE INDUSTRY

During 1939 increased utilization of motor transportation in the United States as well as throughout the world led to a rise in the production of new automobiles. Indicative of the widespread public acceptance of the industry's new models introduced at the automobile show in October, demand held production at brisk levels during the closing months of the year. The total wholesale value of automotive production, including value of accessories, service equipment, and replacement of parts and tires, is placed at more than three and one-half billion dollars. Automobile registrations for 1939 amounted to 30,710,000, an all-time high, as against 29,485,680 in 1938. Revenues from motor vehicle users' taxes for the year reached a new level at \$1,631,000,000, representing 11 per cent of the revenue from taxes collected from all sources.

PRODUCTION AND EMPLOYMENT

The Automobile Manufacturers' Association estimate the 1939 production at 3,710,000 units as against 2,655,171 units in 1938, an increase of 40 per cent. The wholesale value of these units for 1939 is placed at \$2,301,556,000 as compared with \$1,690,250,414 for the previous year, a gain of 36.2 per cent. Retail sales of new vehicles totalled 3,244,537 units as compared with 1,957,350 units in 1938, an increase of 39 per cent. The retail total was almost 500,000 units under factory sales.

Despite the closing down of several plants of one of the large United States automobile manufacturers due to labour difficulties in the latter part of the year, employment in the automobile and parts plants averaged 389,000 in 1939 as against 306,000 in 1938. Payrolls of these workers throughout the year averaged \$12,226,000 per week, a rise of 40 per cent over the previous year.

BUILDING AND CONSTRUCTION

The building and construction industry in the United States during 1939 showed a marked improvement over the previous year with total construction volume being the largest since 1930. While private building and engineering work continued at a fairly satisfactory rate, public construction showed a marked decrease.

The F. W. Dodge Corporation report for the 37 eastern states places the total value of contracts at \$3,350,543,000 as against \$3,196,928,000 in 1938, a gain of approximately 5 per cent. The total value of contracts for 1939 was divided as follows: residential contracts, \$1,335,272,000, an increase of 35 per cent over the previous year's total of \$985,787,000; non-residential construction, \$958,000,000, a decrease of 11 per cent from the 1938 total of \$1,072,137,000; public works and public utility contracts, \$1,057,000,000, a decline of 7 per cent from the 1938 value of \$1,139,004,000.

PRIVATE AND PUBLIC OWNERSHIP CONTRACTS

The value of private ownership contracts was estimated at \$1,830,000,000 for 1939 and accounted for 55 per cent of the total value of contracts awarded in the 37 eastern states. This is comparable with the 1938 value of \$1,492,208,000 or 47 per cent of the total value of contracts. Public ownership contracts for the past year totalled \$1,525,000,000 or 45 per cent of the total contracts awarded, as against 1938 public ownership contracts of \$1,704,720,000 or 53 per cent.

RESIDENTIAL BUILDING

Residential construction in 1939 with its gain of 35 per cent over the previous year made the outstanding showing of the construction industry. The Federal Housing Administration reported that 450,000 non-farm dwelling units were constructed as compared with 347,000 in 1938. This total includes apartment units, single houses and United States Housing Administration projects, the latter contributing about 50,000 units as against 5,000 in the previous year.

Building material manufacturers shared in the rise in volume and earnings that marked the building industry's activities in 1939. The attitude of labour has been more favourable during the past year. Unions kept their demands at a minimum and are now trying to arrive at a formula with contractors for ending jurisdictional strikes that in the past have imposed a heavy toll on the building trades.

TEXTILE INDUSTRY

The textile industry closed the year on a wave of recovery. Production rates which the industry has seen only a few times during the past ten years

prevailed in the closing months of the year, with the output of both cotton and woollen fabrics at near record levels. Rayon continued to outdistance the remainder of the industry with production at the highest level in the history of the fibre. Silk production declined, but there was a great increase in the price of silk during the past twelve months.

The cotton textile industry operated at high levels throughout the year with capacity output being virtually reached in the fall months. Earnings improved during the last six months as prices of cotton cloths, after sinking to the 1933 low in the spring months, increased after the outbreak of war in Europe. It is estimated that total production of cotton textiles for 1939 was approximately 9,000,000,000 square yards as compared with 7,502,168,000 square yards in the previous year.

The use of rayon continued to expand as the new fibre replaced the more traditional cotton, wool and silk in numerous markets. Rayon production for 1939 totalled 384,000,000 pounds and was 12 per cent greater than the 1938 amount of 341,900,000 pounds. The largest gain was in filament yarn, production of which amounted to 331,200,000 pounds, a gain of 32 per cent over 1938. Domestic consumption set a new record of 462,375,000 pounds and was 41 per cent over the 1938 consumption.

Although the production of woollen fabrics reached a high level during the past year, earnings of the manufacturers were restricted due to the depressed price levels for their products in the first half of the year. However, as in the case of cotton textiles, with the outbreak of war the demand for woollen fabrics resulted in increased production and increased prices. Wool consumption for the first ten months of the year was placed at 47 per cent above the corresponding period of 1938.

NEWSPRINT

Although newsprint paper production in North America for 1939 was above that of 1938, it was still below the 1937 level, when publishers were building up huge stocks to minimize the effects of the price advance which became effective January 1, 1938.

A recent report issued by the Newsprint Service Bureau indicates that the production of 4,116,749 tons of newsprint paper in North America for 1939 was 10.9 per cent over the 1938 production of 3,713,039 tons. Canada supplied 2,869,266 tons or 69.6 per cent of the total amount, the United States 939,442 tons and Newfoundland 308,041 tons.

The Canadian output of 2,869,266 tons of newsprint paper was 244,686 tons or 9.3 per cent greater than the 1938 output of 2,624,580 tons. The United States production of 939,442 tons was 119,387 or 14.6 per cent over the 1938 production of 820,055 tons. The output of Newfoundland mills amounted to 308,041 tons, an increase of 39,637 tons or 14.8 per cent from the 1938 total of 268,404 tons.

Shipments from United States and Canadian mills amounted to 3,806,275 tons, while production for these two countries totalled 3,808,708 tons. Mill stocks in the United States and Canada were 12,952 tons and 169,502 tons respectively, or a total of 182,454 tons for 1939 as against 180,021 tons in the previous year.

United States imports of newsprint paper for the first eleven months of 1939 totalled 2,384,947 tons as compared with 2,064,840 tons for the corresponding period of 1938. Canada supplied 2,007,454 tons or 84.1 per cent, European countries 295,454 tons or 12.4 per cent, and Newfoundland 82,039 tons or 3.5 per cent.

AGRICULTURAL SITUATION

The agricultural situation at the close of 1939 was decidedly changed from that which prevailed during the early months of the year when prices of many

commodities were near the lows of 1932. Under the combined effects of the European war, steadily increasing domestic business and some smaller crops, prices of most agricultural commodities advanced markedly in the last few months of the year.

Although there were no basic changes in farm legislation during the year, appropriations for substantial further income were voted and the discretionary activities of the Agricultural Administration in the field of crop control and surplus disposal were expanded. The latter included export subsidies for cotton, introduction of crop insurance, which was confined to the single crop of wheat, and surplus disposal, such as the "barter scheme" to exchange cotton for rubber worked out with Great Britain.

FARM INCOME

Total farm income received by the farmers from marketings, commodities placed under loan, and Government payments totalled \$8,518,000,000 for 1939 as compared with \$8,081,000,000 in 1938 and \$9,111,000,000 in 1937. The gain in the 1939 total was principally accounted for by a large increase in government payments.

The Bureau of Agricultural Economics estimated cash income from farm marketings and from commodities placed under loan, exclusive of Government payments, at \$7,711,000,000 as compared with \$7,599,000,000 in 1938, an increase of 1.5 per cent. The gain was accounted for by increased income from crops, since income from live stock and live-stock products in 1939 was unchanged from a year earlier. The major crops showing gains in income were corn, potatoes, apples, peaches and pears. The income from cotton lint, tobacco, sugar beets and sugar cane was smaller in 1939.

Government payments under the Agricultural Conservation Program, Sugar Act payments and price parity payments in 1939 amounted to \$807,000,000 as compared with \$482,000,000 in the previous year, a gain of 67.4 per cent.

WHEAT

The principal feature of the wheat situation in the United States in 1939 was the advance in prices in the late part of the year resulting from the outbreak of war and a rally in which prices advanced at the close of the year. Wheat supplies are estimated at 300,000,000 bushels in excess of home needs before the 1940 harvest. The 1939-40 winter wheat crop will be very low due to drought conditions this past fall.

According to the report of the Crops Reporting Board, production of all wheat in 1939 is estimated at 754,971,000 bushels, which is about 19 per cent smaller than the large 1938 crop of 931,702,000 bushels and slightly greater than the ten-year (1928-37) average of 752,952,000 bushels. Total acreage of all wheat harvested during the past year amounted to 53,696,000 acres, 8.8 per cent under the 1938 total of 69,869,000 acres and 3.5 per cent below the ten-year average of 55,804,000 acres.

Winter wheat production is placed at 563,431,000 bushels as compared with 688,133,000 bushels in the previous year, a decrease of 18 per cent. The area of winter wheat harvested is estimated at 37,802,000 acres or 24 per cent below the 1938 harvested area of 49,711,000 acres.

The total production of all spring wheat was 191,540,000 bushels, a decrease of 21 per cent as compared with a yield of 243,569,000 bushels for 1938 and slightly below the ten-year (1928-37) average of 192,792,000 bushels. The acreage harvested in 1939 was 15,894,000 acres as against 20,083,000 acres in 1938 and the ten-year average of 17,645,000 acres. The reduction in production was due to the decrease in acreage, since the average yield per acre was about the same in 1939 as in the previous year.

Durum wheat production in 1939 accounted for 34,360,000 bushels of all spring wheat production. It was about 15 per cent below the 1938 total of

40,697,000 bushels and just under the ten-year average of 35,072,000 bushels. The harvested acreage for the past year was 3,066,000 acres or 16 per cent less than the 3,569,000 acres harvested in 1938, and 10 per cent below the 1928-37 average of 3,355,000 acres.

CORN

The 1939 corn crop for all purposes is estimated at 2,619,137,000 bushels as compared with 2,542,197,000 bushels in the previous year, an increase of about 2.2 per cent. Total acreage was 88,803,000 acres as against 92,222,000 acres in 1938, a decline of about 4 per cent. The average yield for 1939 was 29.5 bushels per acre, the highest in the past 15 years, as compared with 27.8 bushels per acre in 1938. The carryover of corn at the end of the 1939 crop year at 561,000,000 bushels was the largest on record.

COTTON

Cotton production in the United States for the 1939-40 crop year is estimated at 11,600,000 bales of 478 pounds, a slight decrease from the 11,665,000 bales for the 1938-39 season and below the five-year (1928-32) average of 14,667,000 bales. Cotton production in other countries is expected to be about 15,850,000 bales as compared with 15,752,000 bales for the 1938-39 period. Total world production is estimated at 27,450,000 bales or about the same as the 1938-39 production of 27,407,000 bales. The carryover of United States cotton at the close of the 1938-39 crop year was 13,033,000 bales, and more than 11,000,000 bales of this was owned by the Government or pledged against government loans. However, if the war does not alter the situation, there seems to be a very good chance of reducing the large surplus of cotton during the next few months.

COMMODITY PRICES

The record for the year shows that, even with the stimulus of war, the industrial price level at the moment is only moderately higher than at the start of 1939. Actually prices at the beginning of the war were the lowest in almost five years, despite the fact that the business upturn had started in June. The advance in the general price level since the start of the war amounts to 12 per cent, but has been due mostly to advances in grains and textiles, notably wheat, cotton and raw silk.

The following table, compiled by *The Journal of Commerce*, shows the commodity price level (1927-29 equals 100) at the end of 1939 as compared with the level at the close of 1938:—

	Dec. 30, 1939	Dec. 31, 1938
Grains	75.9	58.8
Foods	67.2	67.4
Textiles	82.0	53.9
Fuels	88.4	82.1
Iron and steel	102.9	101.1
Non-ferrous metals	84.4	77.5
Building materials	100.8	97.2
Paint materials	76.3	64.1
Chemicals	77.3	78.4
Pulp and paper	94.0	82.3
General index	82.1	75.4

From the above table it will be noted that the general commodity price index closed the year at 82.1 or 8.8 per cent above the level of 75.4 on December 31, 1938. With the exception of chemicals all groups registered gains over the previous year.

EMPLOYMENT

According to the National Industrial Conference Board total employment in the United States in October, 1939, was 46,446,000, slightly over the total

of 46,342,000 persons employed in September and the highest since October, 1937. The gain was principally in industrial employment, reflecting the higher rate of factory activity, particularly in the production of durable goods. The number employed in manufacturing was estimated at 10,864,000, an increase of almost one million workers since May, 1939. Mining and transportation both showed gains in the latter part of the year, but there was quite a large seasonal decline in the numbers employed in agriculture.

Unemployment was estimated in October to be 8,149,000, a slight decrease from the September figure of 8,196,000. The number of jobless was at the lowest level since November, 1937, and as compared with the high mark in May, 1938, the decrease was about 2,600,000.

FINANCIAL SITUATION

The most important development in the money and banking situation in 1939 was the tremendous rise in the nation's excess bank reserves resulting from the heavy gold imports and flight of refugee capital to the United States, the Treasury Department's spending in excess of receipts, and the "open market" operations conducted on a heavy scale for a brief period when the government bond market was unsettled by the outbreak of war. During 1939 the stock market was noted for its dullness and its failure to forecast or even to reflect the general course of business.

BANK RESERVES, DEPOSITS AND LOANS

The excess reserves of the member banks of the Federal Reserve System at the end of December were placed at \$5,150,000,000 as compared with \$3,480,000,000 at the close of 1938. Member bank deposits increased approximately \$3,000,000,000 between the end of 1938 and the close of 1939. The expansion in the volume of currency carried it to \$7,679,000,000 on December 20, 1939, well above the peak of \$7,538,000,000 reached before the closing of the banks in 1933.

Loans and investments of the principal member banks of the Federal Reserve System on December 6, 1939, amounted to \$23,162,000,000, the highest since December 2, 1936, when the total was \$22,459,000,000. Banking investments showed a rise of approximately \$1,508,000,000, of which \$1,360,000,000 is accounted for by government securities and \$148,000,000 by other securities. Bank loans amounted to \$8,646,000,000 as against \$8,460,000,000 in December, 1938, an increase of \$186,000,000, while customers' loans, which represent the most important classification, rose substantially.

NEW FINANCING

Capital financing in 1939 decreased slightly to \$2,545,067,441 as compared with the 1938 volume of \$2,674,734,635. This decline is attributed to the fact that immediately following the outbreak of the war in September there was a suspension of financing. Despite increased offerings during the last two months the total did not achieve the levels of a year ago.

Although there was the impression that financing activities for the past year were devoted mostly to refunding, the amount raised for capital and other purposes was slightly higher than the amount for refunding. Refunding totalled \$1,245,564,402 as compared with \$1,299,503,033 for other uses. The corresponding figures for 1938 were \$1,114,867,525 and \$1,559,867,110, respectively.

Public utility financing for 1939 totalled \$787,694,033 as compared with \$917,351,873 in 1938. Industrial offerings of stocks and bonds amounted to \$441,653,046, a slight decrease from the 1938 volume of \$450,315,136. Although

there was a substantial gain in the issue of new stocks, the decrease in industrial financing was attributed to the decline in new bond issues. State and municipal bond issues amounted to \$1,073,115,808 in 1939 as compared with \$982,603,963 in the previous year. Foreign bond issues continued to decline in this market and totalled \$39,250,000 as against \$65,000,000 in 1938.

GOLD MOVEMENTS

To the fear of war in Europe was due almost entirely a record-breaking movement of gold to the United States, as not only individuals but Europe's central banks sought to remove their assets from the war-danger area. In January, 1939, United States imports of gold were only \$156,000,000, but as the political tension increased in Europe the pace steadily accelerated. The movement reached its peak in April with imports of \$605,000,000, a figure which exceeded even the \$562,000,000 that marked the Munich crisis of September, 1938. It is interesting to note that the United States imports of \$450,-927,000 of gold in the month of December came principally from Canada, which shipped \$308,778,000 of the metal.

According to the Department of Commerce, the United States imports of gold for 1939 totalled \$3,574,414,000 as compared with \$1,979,457,000 in the previous year. Exports of the metal for the year totalled \$508,000 as against \$5,888,000 in 1938. The monetary gold stock at the close of 1939 was approximately \$17,643,450,000 as compared with \$14,512,000,000 at the end of 1938.

The total amount of gold held under earmark for foreign account at the end of December, 1939, was \$1,163,004,000 as compared with \$628,587,000 at the close of 1938. The combined effect of gold exports and imports and earmarking operations during 1939 was a net inflow of gold valued at \$3,039,-489,000 as against a net gain from foreign sources of \$1,640,000,000 during the preceding year.

FOREIGN TRADE

Although the foreign trade of the United States during the past year showed an improvement over 1938, it was not so great as the improvement in domestic business activity. The rise of exports was principally a result of the increased foreign demand for United States manufactures in the last half of 1939, since in the first half of the year exports of manufactured goods and agricultural products were below those of the corresponding period of 1938. On the other hand there was a steady increase in United States imports throughout the whole year.

It is still too early to indicate what effect the European war will have on this country's foreign trade. However, the month of December witnessed the first results as exports increased sharply due to large shipments of aircraft, petroleum, metals and metal-working machinery to Great Britain and France. Of course, trade with Europe has been threatened by a lack of shipping as a result of the wartime restrictions contained in the neutrality act and by England and France reducing their purchases of such products as tobacco and wheat.

According to the reports of the Department of Commerce, the United States exports, including re-exports, for 1939 amounted to \$3,177,344,000, a gain of \$82,904,000 or 3 per cent over the 1938 total of \$3,094,440,000. In terms of volume, exports were about 5 per cent above those of 1937 and 1938, and approximately 60 per cent above the low point of 1932. The value of general imports for the year was \$2,318,258,000, a gain of \$357,830,000 or 18 per cent over the total of \$1,960,428,000 for 1938. The increase in the volume of import trade over 1938 was approximately 15 per cent, while the remainder of the gain was accounted for by a rise in the prices of silk, wool, rubber and other crude materials. The excess of exports over imports or the favourable visible balance of trade for 1939 was \$859,086,000 as against \$1,134,012,000 in 1938.

RAILWAY SITUATION

The upturn in railroad traffic and earnings in the last four months of 1939 was sufficient to wipe out the accumulated deficits of the earlier months and to bring about a net income in the case of several carriers. The Association of American Railroads estimates a net operating income for 1939 of \$600,000,000 and a net income of \$95,000,000 after charges, as compared with a net operating income of \$373,000,000 and a net deficit of \$123,000,000 in 1938.

CAR LOADINGS

The Association of American Railroads reports that total revenue freight car loadings during 1939 were 34,102,759 cars as against 30,457,078 cars in 1938, a gain of 12 per cent. With the exception of live stock and grain and products, car loadings of all groups showed increases during the past year over 1938.

The following table shows total shipments of commodities in 1939 as compared with 1938:—

Commodity	1939 Cars	1938 Cars	Per Cent Inc. or Dec.
Miscellaneous freight	13,760,264	12,025,781	+ 14.4
Merchandise, l.c.l.	7,830,244	7,681,847	+ 1.9
Coal	6,264,761	5,540,739	+ 13.1
Forest products	1,584,085	1,417,869	+ 11.7
Ore	1,615,127	845,965	+ 90.9
Coke	413,699	274,639	+ 50.6
Grain and products	1,940,345	1,967,318	— 1.4
Live stock	694,234	702,920	— 1.2
Total	34,102,759	30,457,078	+ 12.0

BANK CLEARINGS

The exchange of cheques at the principal clearing houses of the United States in 1939 totalled \$304,323,157,503, a gain of 3.7 per cent over the 1938 amount of \$293,254,325,108.

The clearings in New York city for 1939 aggregated \$165,913,543,429, an increase of less than one per cent over the 1938 total of \$165,155,897,296. Cheque clearings for the country outside of New York city were \$138,409,614,074 in 1939 as compared with \$128,098,427,812 in the previous year.

Cheque clearings for the whole of the country and for New York city from 1935 to 1938 are as follows:—

	Total for United States	New York
1935	\$297,177,288,516	\$181,551,008,863
1936	326,823,807,959	193,548,797,427
1937	333,257,707,239	186,739,777,521
1938	293,254,325,108	165,155,897,296
1939	304,323,157,503	165,913,543,429

OUTLOOK FOR 1940

Business will be better in 1940. This is the central theme of 1940 forecasts by leading business authorities in the United States and consolidated by the New York *Wall Street Journal*.

The United States faces the year, however, with three uncertain factors which will definitely affect business. They are: (1) the European war; (2) Congress and its legislation; (3) the presidential election.

Despite earlier fears, the first months of 1940 should be no worse and may compare favourably with the like period of 1939. Last year the Federal Reserve index ranged from 101 in January to the year's low of 92 in April and May, from which point it gained rapidly to a high of 125 in December.

Heavy goods are of very considerable importance and it is forecast that building construction will top 1939 by 5 to 10 per cent, continuing the upward

trend of the past six years. Rail equipment makers enter 1940 with a substantial backlog of orders amounting approximately to \$100,000,000.

Shipbuilding will be to the forefront this year. Not in recent years have United States shipyards been so busy, despite the ban on United States vessels on North Atlantic routes.

An excellent yardstick of industrial activity is the great production in the machine-tool field. Although the war will contribute to this business, domestic industrial activity has continued to provide a substantial share of the business.

The aircraft industry in 1940 will again far outstrip all other industries. Orders from Great Britain, France, Canada, as well as from United States defence departments, have poured into the offices of United States manufacturers. Production of planes in 1939 was double the 1938 output, and already there are orders on the books of plane manufacturers sufficient to double the 1939 output and still leave a backlog of \$65,000,000 at the end of the year—all this without counting any new 1940 orders.

Automobile industrial output in 1940 is estimated in conservative circles to increase 10 to 15 per cent over the previous year, while the chemical industries are likewise considered to be in a very strong position.

Serious problems to be faced in 1940 will be the utilization of large idle funds held by banks and insurance companies—the latter now having over one billion dollars lying idle—and the agricultural situation.

Canadian import and export trade with the United States will be dealt with in a later report; but it may be observed here that the two main factors affecting changes in 1940 will be Canadian war purchases in the United States and Canada's depreciated currency in relation to her exports to the United States.

CONTROL OF FERTILIZERS IN THE UNITED KINGDOM

E. L. MCCOLL, CANADIAN TRADE COMMISSIONER

Bristol, January 29, 1940.—For the purpose of official supervision of fertilizers the Minister of Supply, acting under Regulation 55 of the Defence Regulations, 1939, created two Controls, one for Sulphate of Ammonia and the other for Other Fertilizers. Recently the Controller of Sulphate of Ammonia has become the Controller of Industrial Ammonia, with the fertilizer Sulphate of Ammonia as a sub-section.

THE CONTROL OF FERTILIZERS (No. 1) ORDER, 1939

The first regulation issued by the Fertilizer Control was (No. 1) Order, November 7, 1939, effective as from November 10. In effect this order is as follows:—

No person shall buy or sell any superphosphate of lime or compound fertilizer in the United Kingdom at a price exceeding the maximum price ruling during the period of four months ending June 30, 1939 (which period shall be called the "basic period"), for a fertilizer of the same or similar specification sold under the same conditions of delivery (which price shall be called the "basic price"), with such additions or deductions as the Minister of Supply may authorize.

Every person engaged in the production or distribution of any fertilizer shall, upon being so requested by the Minister of Supply, furnish him with such details relating to that undertaking as may be specified in the request, and every such person shall also permit any accredited representative of the Minister of Supply to enter and inspect, with a view to securing compliance with this Order, any premises used in connection with this industry.

DIRECTION NO. 1

Accompanying the Control of Fertilizers (No. 1) Order, 1939, is a Direction made by the Minister of Supply authorizing price increases, the effect being to raise the price of superphosphates by 9s. per ton in November and 11s. per ton in December, the prices of compounds rising by corresponding amounts, according to their plant food content.

DIRECTION NO. 2

This regulation, dated December 22, 1939, revoked the previous Direction No. 1 and authorized increases from the basic or pre-war prices previously established. In the case of superphosphate, the price increase authorized, as compared with the basic prices, amounts per ton to 17s. 6d. for January and 19s. for February. The increases for ground phosphate per ton are 20s. and 21s. 3d., respectively. In the case of compound fertilizers, corresponding advances are permitted in the price per unit of phosphoric acid and potash. No increases are sanctioned per unit of nitrogen for sulphate of ammonia, except in Northern Ireland.

An increase in the price of bags, when used, of 3s. 6d. per ton for January and 4s. 6d. for February has been approved.

Direction No. 2 also authorizes a charge of additional costs for carriage by rail, road or sea, over and above the rates ruling during the basic period.

THE CONTROL OF FERTILIZERS (No. 2) ORDER, 1939

The above (No. 2) Order, dated December 22, 1939, makes some minor amendments to article 1 of the Control of Fertilizers (No. 1) Order. The words "or ground phosphate" should follow "superphosphate of lime." It also adds at the end of that article the following proviso:—

"Provided that nothing in this Order shall apply to any purchase or sale (or agreement or offer or invitation of an offer to buy or sell) of any fertilizer in lots not attaining one hundredweight."

THE CONTROL OF FERTILIZERS (No. 3) ORDER, 1940

In brief, the provisions of this order require all suppliers of fertilizer for resale to be licensed by the Fertilizer Control. The term "supplier" includes the producer, the importer and the wholesale distributor. Every person, including a licensed person, who acquires fertilizer for resale, either as received or after treatment, has to register with the firm from whom he obtains supplies. Every licensed person has to keep a register of persons to whom he supplies fertilizers for resale and must lodge a copy with the Ministry. No alterations can be made to such a register without the approval of the Minister.

The object of this order is to ensure that the Ministry has a complete record of the existing channels of distribution and will be in a position to deal with any emergency which may arise.

FERTILIZER MARKET CONDITIONS

Generally speaking, the movement of fertilizers has been left to the trade, being interfered with as little as possible by the Control.

There have been no advances in f.o.r. prices for basic slag and lime recorded since the beginning of the war, although transportation rates have increased, which has correspondingly raised the cost to the farmer. There are ample supplies of these two products to meet the increased demand due to the encouragement given by the Government through the Land Fertility Scheme, which

has taken the form of a contribution of a substantial portion of the cost of these two fertilizers, while in addition the farmer is to receive £2 per acre for newly ploughed grass land.

Sulphate of ammonia and nitro-chalk quotations were not raised until last month, but present prices show a 20 per cent increase over the pre-war basic period as a result of the rise in cost of manufacture, bags and transport.

It is for this same reason that the Fertilizer Control have permitted higher prices for January and February delivery of superphosphate, ground phosphate of lime and compound fertilizers, as indicated in Direction No. 2, quoted above. These products, or a large proportion of the raw materials, are imported from abroad and the heavy ocean freight and insurance rates and other shipping charges are the explanation.

Quotations for home-produced organic materials show a very material increase above those of the basic period, an even more marked advance having occurred in the price for imported organic fertilizers other than those to which reference has previously been made.

The prices of compounds are roughly from 15s. to 20s. per ton more than just previous to the war, equivalent to an advance of one-eighth to one-sixth, the present prices being from £6 to £8 per ton delivered to the farmer.

The Fertilizer Controls have varied and numerous activities. They are not only closely watching prices, but, in a few instances, regulating them. They are obtaining a complete registration of the industry. As there are ample supplies they have so far not been called upon to make decisions as to where this or that fertilizer should be employed. Their efforts are at the service of the industry to secure materials and to overcome transportation and other difficulties.

The Canadian Trade Commissioner at Bristol will be glad to supply printed copies of the orders referred to upon request from any Canadian firm interested.

CONTROL OF FEEDSTUFFS IN THE UNITED KINGDOM

H. L. BROWN, ASSISTANT TRADE COMMISSIONER

London, January 20, 1940.—With reference to the report on this subject published in *Commercial Intelligence Journal* No. 1870 (December 2, 1939), and with particular reference to the section on Control of Imports, page 1010, the United Kingdom Ministry of Food has issued, under date January 18, an amending order adding the following materials to the list of feedstuffs in which dealings outside the United Kingdom are prohibited except under licence:—

Whale meat meal (including extracted whale meat meal), whale guano, whale meal and bone meal, fish meal (including herring meal), sunflower seed cake and meal, hemp-seed cake and meal, locust beans, kibbled locust beans, locust bean meal, rice offals.

PURCHASED BY GOVERNMENT

The Ministry of Food are purchasing these commodities on Government account, and all offers should be addressed by agents to the Director of Supply, Animal Feedingstuffs Division, Ministry of Food, Stanley Hall, Edmund Street, Liverpool.

AUSTRALIAN WHEAT AND FLOUR

FREDERICK PALMER, CANADIAN TRADE COMMISSIONER

[One Australian pound (£A1) equals \$3·5199 Canadian]

Melbourne, January 16, 1940.—Announcement has been made of the conclusion of negotiations for the sale to the United Kingdom of 1,500,000 tons of this season's wheat and 150,000 tons of flour, representing in all 63,000,000 bushels of wheat. The Australian Wheat Board has fixed a price for half of this quantity only; the price of 750,000 tons is to be fixed later in the year. Delivery of the first half of the wheat is to be taken by July 15, and payment is to be made on that date for any undelivered balance. The second half of the wheat is to be taken by January 15, 1941, and the flour is to be delivered throughout 1940.

No announcement as to the price fixed for this sale has been made, but as the value of wheat in Australia is now fixed by the Australian Wheat Board at 4s. 0½d. a bushel f.o.b. for bagged and 3s. 9½d. for bulk, the price is expected to be between three and four shillings per bushel. The average return from wheat in the No. 1 pool (old season's crop) was 2s. 9d. a bushel f.o.b.

Since the Australian Government acquired the balance of the Western Australia 1938-39 crop on September 23 and the crops of the other states on October 9, 1939, 98,500,000 bushels of wheat have been sold. Of this quantity, approximately 18,000,000 bushels were from the No. 1 pool and the remaining 80,500,000 bushels from the No. 2 pool (1939-40 wheat), so that 17,500,000 bushels of new season's wheat have been sold to purchasers other than the British Government in addition to 6,000,000 bushels from the No. 1 pool. A total of 100,000 tons of this wheat, although sold, remains to be shipped, mostly from South Australia and New South Wales.

In the first five weeks of the current season 111,000,000 bushels were received at country stations and only 857,647 bushels were shipped, indicating the difficulty of obtaining sufficient shipping space. The crop is being rapidly delivered into silos and at country railway sidings, and reports indicate exceptionally heavy yields from various sections in all the states. The quality is good except for some rust damage in southern New South Wales, and the season's production according to some trade estimates may exceed the official forecast by eight or nine million bushels.

Mr. Palmer cabled under date February 16, as follows:—

The latest estimate of wheat production in Australia is 210,000,000 bushels, making the exportable surplus approximately 153,000,000 bushels. Apart from 63,000,000 bushels being shipped to the United Kingdom, there is little other outward movement. A few sales were made to Shanghai, but the demand from India ceased following rains in that country. Prices fixed by the Australian Wheat Board remain unchanged. The trade in flour is restricted by shortage of shipping space, also because normal near east markets are well stocked at the time when buying usually proceeds. Shipping difficulties precluded the acceptance of inquiries from eastern Mediterranean ports and Manchukuo, where there is an added difficulty due to exchange position. Export quotations on flour are approximately £9 7s. 6d. (equivalent to \$33 Canadian) per ton in 49-pound calico bags and £9 5s. (equivalent to \$32.56 Canadian) per ton in 150-pound sacks. F.a.q. standards have been fixed as follows: Victoria and Western Australia, 63½ pounds; New South Wales, 63¼ pounds; South Australia, 64 pounds.

**CANADA'S DOMESTIC EXPORTS TO THE UNITED STATES OF PRINCIPAL COMMODITIES AFFECTED BY THE CANADA-UNITED STATES TRADE AGREEMENT
EFFECTIVE FROM JANUARY 1, 1939; ALSO UNITED STATES TARIFF RATES IN FORCE. (MONTH OF JANUARY, 1939 AND 1940.)**

Note:—The descriptions of the commodities in the following table are taken from the Canadian Customs statistical classification. The tariff rates are taken from the United States tariff classification. These classifications are not always identical, and the rates quoted, therefore, may not apply in all cases entirely, or exclusively, to the commodities for which statistics are given. A number of products affected by the agreement are not included in the table because statistics are not available.

(COMPILED BY THE EXTERNAL TRADE BRANCH, DOMINION BUREAU OF STATISTICS; AND THE FOREIGN TARIFFS BRANCH)

Commodities	Quantities				Value				United States Tariff		
	Month of January		Month of January		Month of January		Month of January		Before first Agreement, i.e., 1935	Canada-United States Agreement, (Jan. 1, 1939)	
	1939	1940	1939	1940	1939		1940				
					\$	\$	\$	\$			
AGRICULTURAL AND VEGETABLE PRODUCTS											
Fruits and vegetables—											
Blueberries, frozen.....	109,390	146,390			5,093	8,945			35% ad val.	17½% ad val.	
Blueberries, fresh, n.o.p.....	300,398				17,415				1½c. per lb.	1c. per lb.	
Potatoes, seed, certified.....	137,459	64,653			141,525	55,774			75c. per 100 lbs.	37½c. per 100 lbs., March 1 to Nov. 30; 50c. per 100 lbs., Dec. 1 to last day of Feb. (d)	
										75c. per 100 lbs. on imports in excess of 1,500,000 bu. per 12-month period beginning Sept. 15	
Potatoes, n.o.p.....	517	3,701			457	2,662			75c. per 100 lbs.	37½c. per 100 lbs., Mar. 1 to Nov. 30; 60c. per 100 lbs., Dec. 1 to last day of Feb.	
										75c. per 100 lbs. on imports in excess of 1,000,000 bu. plus quantity domestic crop falls below 350,000,000 bu., per 12-month period, beginning Sept. 15	
Turnips.....	321,278	344,557			104,355	157,683			25c. per 100 lbs.	12½c. per 100 lbs.	
Grains and farinaceous products—											
Barley.....									20c. per bu.	15c. per bu.	
Oats.....	68,377	251,837			25,090	121,926			15c. per bu.	8c. per bu.	
Rye.....									15c. per bu.	12c. per bu.	
Bran, shorts and middlings.....	209,271	431,807			184,427	434,171			10% ad val.	5% ad val.	
Cereal foods, prepared.....					7,934	2,850			20% ad val.	10% ad val.	
Malt.....	92,378	118,805			83,656	87,340			40c. per 100 lbs.	40c. per 100 lbs., if barley malt; 35c. per 100 lbs. if rye malt.	
Screenings, scalplings, chaff or scourings											
of grain, ground or unground.....	38,014	73,467			10,180	26,162			10% ad val.	5% ad val.	
Maple Syrup.....	23	1,161			49	1,463			2c. per lb.	2c. per lb.	
Maple sugar.....	707,862	15,907			121,769	2,097			6c. per lb.	3c. per lb.	
Whiskey.....	88,459	74,612			457,428	406,684			\$5 per pt. gal.	\$2.50 per pt. gal. if aged in wooden containers for at least four years	

Seeds—		9, 231	10, 282	97, 982	112, 878	8c. per lb.	4c. per lb.
Clover seed, alfalfa.....	Bu.	103	1, 282	371	11, 664	8c. per lb.	4c. per lb.
Clover seed, alsike.....	Bu.	33	31	158	164	8c. per lb.	4c. per lb.
Clover seed, red.....	Bu.	14, 009	3, 315	25, 911	5, 255	4c. per lb.	2c. per lb.
Grass seed, sweet.....	Bu.	27, 829	3, 315	25, 911	36, 560	2c. per lb.	1c. per lb.
Grass seed, bromo (a).....	Bu.	3, 902	3, 902		7, 903	2c. per lb.	1c. per lb.
Grass seed, crested wheat (a).....	Bu.						
Grass seed, n.o.p. (included bromo and crested wheat grass seed prior to April 1, 1939).....	Bu.	60, 013	653	100, 028	1, 315	2c. per lb. if timothy.....	1c. per lb. if timothy.....
Beet pulp.....	Cwt.		18, 375	7	29, 479	40c. per lb. if bont grass.....	20c. per lb. if bont grass.....
Hulls of grain.....	Cwt.	14, 500	65, 505	5, 143	25, 406	5c. per lb. if blue grass.....	2½c. per lb. if blue grass.....
Mixed feeds.....	Ton	4, 690	9, 051	2, 009	84, 441	\$5 per ton (2, 240 lbs.).....	\$3.75 per ton (2, 240 lbs.).....
Hay.....	Ton	687	2, 106	31, 980	8, 705	10% ad val.....	5% ad val.....
Straw.....	Ton			2, 507		\$5 per ton (2, 000 lbs.).....	\$2.50 per ton (2, 000 lbs.).....
						\$5 per ton (2, 240 lbs.) if flax straw.....	\$1.50 per ton (2, 240 lbs.).....
						\$1.50 per ton (2, 000 lbs.).....	75c. per ton (2, 000 lbs.).....
						if otherwise.....	if otherwise.....
ANIMALS AND ANIMAL PRODUCTS							
Animals, living—							
Cattle for improvement of stock.....	No.	605	586	61, 520	53, 788	Free.....	Free.....
Dairy cattle, n.o.p., weighing over 700 lbs.....	No.	782	522	51, 899	34, 181	3c. per lb.....	1½c. per lb.....
Cattle, n.o.p., weighing less than 200 lbs. No.	No.	2, 973	3, 449	55, 375	85, 562	2½c. per lb.....	2½c. per lb. on imports in excess of 100,000 head during any calendar year.....
Cattle, n.o.p., weighing over 700 lbs. No.	No.	28, 152	5, 618	1, 790, 381	388, 555	3c. per lb.....	1½c. per lb.; 3c. per lb. on imports in excess of 225,000 head during any calendar year, or 60,000 head during any quarter (c).....
Horses, n.o.p.....	No.	208	415	35, 703	47, 348	\$30 per head if valued at not more than \$150; 20% ad val. if valued at more than \$150.....	\$15 per head if valued at not more than \$150; 17½% ad val. if valued at more than \$150.....
Poultry, n.o.p.....	No.	20, 909	5, 762	17, 392	5, 245	8c. per lb.....	4c. per lb.
Swine, n.o.p.....	No.					2c. per lb.....	1c. per lb.
Fish, fresh and frozen—							
Clams and oysters, fresh.....	Cwt.	5, 208	4, 144	5, 408	4, 891	Free.....	Free.....
Shallops, fresh and frozen.....	Cwt.	590	205	11, 699	3, 153	Free.....	Free.....
Cod, haddock, hake, pollock, cusk, and rosefish, fresh and frozen, filleted (b) Cwt.	Cwt.		3, 233		28, 845	2½c. per lb.....	1½c. per lb., subject to quota.....
Other fish, fresh and frozen, filleted (b) Cwt.	Cwt.		3, 192		44, 799	2½c. per lb.....	2½c. per lb.
Cod, haddock, pollock, hake and cusk, fresh and frozen, not filleted (included fillets prior to Jan. 1, 1940).....	Cwt.	14, 105	2, 826	79, 406	14, 526	1c. per lb.....	¾c. per lb. without fins removed; 1c. per lb. with fins removed.....
Feels, fresh and frozen.....	Cwt.	175	240	1, 310	1, 375	1c. per lb.....	¾c. per lb.
Hallibut, fresh and frozen, not filleted (included fillets prior to Jan. 1, 1940) Cwt.	Cwt.	615	1, 485	8, 574	14, 122	2c. per lb.....	1c. per lb.
Herring, sea, fresh and frozen.....	Cwt.	4, 729	10, 659	11, 853	19, 451	Free.....	Free.....

(a) From April 1, 1939. (b) From January 1, 1940.

(c) Quota for period Jan. 1-Dec. 31, 1940 (225,000 head), allocated 86.2 per cent to other countries, equivalent to 193,950 head to Canada and 31,050 head to other countries. Maximum quarterly quota (60,000 head) allocated on same basis: Canada, 51,720 head, other countries 8,280 head.

(d) Effective December 23, 1939, the rate of 37½c. per 100 lbs. applies also December 1 to last day of February.

CANADA'S DOMESTIC EXPORTS TO THE UNITED STATES OF PRINCIPAL COMMODITIES AFFECTED BY THE CANADA-UNITED STATES TRADE AGREEMENT
EFFECTIVE FROM JANUARY 1, 1939; ALSO UNITED STATES TARIFF RATES IN FORCE. (MONTH OF JANUARY, 1939 AND 1940—Continued)

Commodities	Quantities				Value				United States Tariff	
	Month of January		1939		1940		1939		Before first Agreement, i.e., 1935	Canada-United States Agreement, (Jan. 1, 1939)
	1939	1940								
ANIMALS AND ANIMAL PRODUCTS—Con.										
Fish, fresh and frozen—Con.										
Lobsters, fresh.....Cwt.	8,651	8,834		155,968		178,629			Free.	Free.
Mackerel, fresh and frozen (a).....Cwt.	1,309	1,244		7,362		5,788			2c. per lb.	1c. per lb., if fresh; 1½c. per lb., if frozen.
Salmon, fresh and frozen (a).....Cwt.	1,257	3,590		8,531		26,365			2c. per lb.	1c. per lb.
Smelts, fresh and frozen.....Cwt.	25,247	16,502		249,876		145,081			Free.	Free.
Sturgeon, fresh and frozen (a).....Cwt.	378	286		17,688		9,540			1c. per lb.	¾c. per lb., if not frozen.
Swordfish, fresh and frozen (a).....Cwt.	159	28		3,197		119			2c. per lb.	1c. per lb., if not frozen.
Fresh-water fish, other, fresh and frozen (a).....Cwt.	77,920	71,039		543,999		502,021			1c. per lb.	¾c. per lb.
Fish, salted, dried, smoked or pickled—										
Cod, haddock, pollock, hake and cusk, dried.....Cwt.	10,549	5,454		68,561		43,587			1½c. per lb., if containing not more than 43% moisture.	¾c. per lb., if containing not more than 43% moisture.
Cod, pollock, hake, and cusk, green-salted.....Cwt.	2,831	11,428		8,772		32,507			¾c. per lb., if containing more than 43% moisture.	¾c. per lb., if containing more than 43% moisture.
Cod and haddock, smoked.....Cwt.	4,996	3,555		49,350		38,236			2c. per lb., if skinned or boned.	1½c. per lb., if skinned or boned.
Herring, sea, pickled.....Cwt.	1,556	3,598		4,466		12,975			2½c. per lb. (not filleted); 1½c. per lb. (filleted).	2c. per lb. (not filleted); 1c. per lb. (filleted).
Herring, sea, smoked.....Cwt.	838	2,133		5,285		22,801			1c. per lb., net weight.	¾c. per lb., net weight.
Mackerel, pickled.....Cwt.	4,825	2,684		25,208		15,224			¾c. per lb., if boned.	¾c. per lb., if boned.
Salmon, pickled.....Cwt.	306	582		6,696		11,846			1½c. per lb., if not boned.	1c. per lb., if hard, dry-smoked.
Salmon, smoked.....Cwt.	1			30					1c. per lb., net weight.	1c. per lb., net weight.
Fish, canned—									25% ad val.	12½% ad val.
Lobsters, canned.....Cwt.	401	333		16,809		14,509			25% ad val.	15% ad val.
Fur skins, undressed—									Free.	Free.
Beaver, fisher, lynx, mink, muskrat, and wolf skins, undressed.....No.	44,823	90,178		406,104		889,460			Free.	Free.
Fox skins, black and silver, undressed...No.	9,874	23,840		227,504		258,023			50% ad val.	35% ad val. subject to quota of 100,000 skins, of which 58.3% allocated to Canada.
Hair and bristles.....Sq. ft.	289,161	279,737		24,302		52,188			Free.	Free.
Leather, patent.....Sq. ft.				51,885		54,085			15% ad val.	7½% ad val.
Meats—										
Bacon and hams, shoulders and sides.....Cwt.	671	396		22,136		13,108			3½c. per lb.	2c. per lb.
Pork, fresh, chilled and frozen.....Cwt.	1,757	1,771		33,690		31,334			2½c. per lb.	1½c. per lb., if fresh or chilled.
Pork, dry-salted.....Cwt.									3½c. per lb.	2c. per lb.

Pork, pickled, in barrels.....	Cwt.	43	500	1,102	6,736	31c. per lb. 6c. per lb., but not less than 30% ad val.	2c. per lb. but not less than 15% ad val.
Edible animal entrails, n.o.p.....	Cwt.						
Milk products—							
Cheese.....	Cwt.	3,820	1,503	62,265	29,447	7c. per lb., but not less than 35% ad val.	4c. per lb., but not less than 25% ad val. if cheddar cheese, not further processed than divided into portions.
Cream.....	Gal					55% ac. per gal.	23% ac. per gal. 55% ac. per gal. on imports in excess of 1,500,000 gals. during any cal- endar year.
Milk, fresh.....	Gal	248	229	93	68	64c. per gal.	64c. per gal. on imports in excess of 3,000,000 gals. during any cal- endar year.
Whale oil.....	Gal					5c. per gal. if sperm oil.	24c. per gal. if sperm oil.
WOOD, WOOD PRODUCTS AND PAPER							
Christmas trees.....	No.	25,151	47,293	18,587	17,996	10% ad val.	5% ad val.
Fence posts.....	No.	28,334	21,417	2,056	4,155	Free.	Free.
Telegraph and telephone poles.....	No.	21,114	13,389	73,346	78,279	Free.	Free.
Railroad ties.....	No.	4,012	3,671	10,900	13,547	Free.	Free.
Firewood.....	Cord	9,271	11,262	22,082	18,920	Free.	Free.
Laths.....	M	15,640	14,616	24,704	30,950	Free.	Free.
Logs.....	M ft.	2,759	885	170,119	189,882	Free.	Free.
Pickets.....	M	7,638		17,827	6,733	Free.	Free.
Piling.....	Lin. ft.			611		\$1 M ft. b.m. if fir, spruce, pine, hemlock, or larch.	50c. per M ft. b.m. if fir, spruce, pine, hemlock, or larch.
Planks and boards and square timber—						Free if other kinds.....	Free if other kinds.
Flooring of hardwood.....	M ft.	1	55	40	2,274	8% ad val. if maple, birch or beech.	4% ad val. if maple, birch or beech.
Planks and boards, hardwood, n.o.p.,						Free, but subject to \$3	Free, but subject to \$1.50
and square hardwood timber.....	M ft	3,283	4,195	137,005	177,861	M ft. b.m. revenue	M ft. b.m. revenue
Planks and boards and square timber,						tax.	tax.
softwood.....	M ft.	42,557	35,232	977,487	1,026,415	\$1 M ft. b.m. and \$3	50c. M ft. b.m. and \$1.50
						M ft. b.m. revenue	M ft. b.m. revenue
						tax, if fir, spruce, pine,	tax, if fir, spruce, pine,
						hemlock or larch.	hemlock or larch.
						(Western white spruce,	(Western white spruce,
						Northern white pine	Northern white pine
						and Norway pine ex-	and Norway pine ex-
						empt from revenue	empt from revenue
						tax).	tax).
Palpwood.....	Cord	50,302	69,226	331,601	498,881	Free, but subject to \$3	Free, but subject to \$1.50
Shingles.....	Square	269,682	159,752	781,553	422,200	M ft. b.m. revenue	M ft. b.m. revenue
						tax if other woods.	tax if other woods.
						Free.....	Free.
						Free.....	Free.
						United States reserves	United States reserves
						right to impose duty	right to impose duty
						not to exceed 25c.	not to exceed 25c.
						square on red cedar	square on red cedar
						shingles in excess of	shingles in excess of
						30% United States	30% United States
						consumption.	consumption.

(a) Excludes fillets from January 1, 1940.

CANADA'S DOMESTIC EXPORTS TO THE UNITED STATES OF PRINCIPAL COMMODITIES AFFECTED BY THE CANADA-UNITED STATES TRADE AGREEMENT
EFFECTIVE FROM JANUARY 1, 1939; ALSO UNITED STATES TARIFF RATES IN FORCE. (MONTH OF JANUARY, 1939 AND 1940—Continued)

Commodities	Quantities				Value				United States Tariff	
	Month of January		1939	1940	Month of January		1939	1940	Before first Agreement, i.e., 1935	Canada-United States Agreement, (Jan. 1, 1939)
	1939	1940			1939	1940				
WOOD, WOOD PRODUCTS AND PAPER—Con.										
Staves and headings.....									Free if staves.	Free.
Wood pulp.....	890,430	1,491,775			1,230	360			Free.	Free.
Paper—					2,062,071	3,416,083				
Book paper, and newsprint side runs and side rolls.....	27,767	64,380			29,890	93,336			1c. per lb. and 10% ad val.	15c. per lb. and 5% ad val.
Newsprint paper.....	3,251,875	3,526,610			7,055,458	7,486,800			Free.	Free.
Pulpboard for wallboard.....	14,610	17,590			27,281	35,131			10% ad val. if pulpboard in rolls, not processed; \$14.50 per ton (2,000 lbs.) but not less than 15% or more than 30% ad val. if pulpboard in rolls, processed.	5% ad val. if pulpboard in rolls, not processed; 15% ad val. if pulpboard in rolls, processed.
IRON AND ITS PRODUCTS										
Castings of iron and steel, n.o.p.....	138				878	170			20% ad val. if of iron.	10% ad val. if of iron.
Farm implements and machines and parts (except garden and farm tools and spades and shovels and parts).....									Free.	Free.
Ferro-silicon.....	571		116		217,964	137,754			1c. per lb. on silicon content.	1c. per lb. on silicon content when containing 8% but less than 30% of silicon.
Spiegeleisen.....	1,064		81		15,038	25,942			75c. per ton (2,240 lbs.).	75c. per ton (2,240 lbs.).
Ferro-manganese and other ferro-alloys, n.o.p.....	7		91		31,690	2,854			1½c. per lb. on manganese content if ferro-manganese; 2½c. per lb. on chromium content when containing not less than 3% of carbon if ferro-chrome. (Reduced to 1½c. per lb., Swedish Agreement, Aug. 5, 1935).	1c. per lb. on manganese content when containing not less than 4% of iron; 1½c. per lb. on chromium content when containing not less than 3% of carbon, if ferro-chrome.
Skates.....	31,452	14,486			733	25,497			20% ad val.	15% ad val.
NON-FERROUS METALS AND PRODUCTS										
Aluminium in bars, blocks, ingots, sheets, etc.....	13,238	1,796			200,354	23,764			4c. per lb., if crude.	3c. per lb., if crude.
Aluminium scrap.....	519	829			1,715	6,514			4c. per lb.	3c. per lb.
Cadmium.....	22				10				15c. per lb.	7½c. per lb.

Cobalt, contained in ore.....	Cwt.	82	68			6,520	4,500	Free.....	Free.
Cobalt, metallic.....	Lb.							Free.....	Free.
Nickel, contained in oxide.....	Cwt.	2,959	7,692			57,779	179,900	Free.....	Free.
Nickel, fine.....	Cwt.	76,695	97,459			1,911,478	2,680,668	3c. per lb.	2½c. per lb.
Selenium and salts of.....	Lb.	7,200	4,700			10,910	7,660	Free.....	Free.
Zinc, contained in ore.....	Cwt.		94,833				117,893	1½c. per lb. on zinc content.	1½c. per lb. on zinc content.
Zinc spelter.....	Cwt.	13,400	4,000			43,717	12,202	1½c. per lb.	1½c. per lb.
Non-Metallic Minerals and Products									
Abrasives, artificial, crude, including carborundum.....	Cwt.	90,341	173,071			226,905	531,835	Free.....	Free.
Asbestos, crude; asbestos milled fibre; and asbestos waste, refuse or shorts.....	Ton	13,558	15,498			443,459	569,013	Free.....	Free.
Basic refractory materials, dead-burned.....	Ton	100				2,574		30% ad val.	20% ad val., if containing 15% or more of lime.
Coal tar and pitch; creosote oil; and coal tar oils, n.o.p.....	Gal.	191,022	611,241			15,095	63,683	Free.....	Free.
Feldspar.....	Ton	403	839			2,570	5,216	50c. per ton (2,240 lbs.), if crude; 30% ad val. if ground.....	25c. per ton (2,240 lbs.), if crude; 15% ad val., if ground.
Gypsum or plaster, crude.....	Ton	90,683	71,059			107,776	72,562	Free.....	Free.
Lime, building.....	Cwt.		5,655				2,168	5c. per 100 lbs., if lime-stone crude; 12c. per 100 lbs., if hydrated; 10c. per 100 lbs., if other.....	2½c. per 100 lbs., if lime-stone crude; 12c. per 100 lbs., if hydrated; 10c. per 100 lbs., if other.
Lime, n.o.p.....	Cwt.		13,901				5,480	Same rates as above.....	Same rates as above.
Nepheline syenite.....	Ton	1,600	1,965			5,400	9,516	Free, if crude; 30% ad val., if ground.....	Free, if crude; 15% ad val., if ground.
Quartzite.....	Ton							Free.....	Free.
Sand and Gravel.....	Ton	458	1,111			435	491	Free.....	Free.
Talc.....	Cwt.	10,869	5,877			5,850	3,042	35% ad val.	17½% ad val., if valued not more than \$14 ton.
Chemicals and Allied Products									
Acetic acid.....	Cwt.	2,109				10,017		1½c. per lb., if not over 65%.....	1c. per lb., if not over 65%.
Acetylene black.....	Lb.	158,950	365,475			16,781	38,554	2c. per lb., if over 65%.....	1c. per lb., if over 65%.
Soda and sodium compounds.....	Cwt.	40,745	73,213			147,921	267,670	20% ad val.	10% ad val.
Vinyl acetate and synthetic resins made therefrom.....	Lb.	26,824	18,426			14,294	7,008	Free, if sodium cyanide.....	Free, if sodium cyanide.
								6c. per lb. and 30% ad val.	3c. per lb. and 15% ad val.
Miscellaneous Commodities									
Junk, except metallic and rubber.....	Cwt.	799	2,074			5,615	7,043	10% ad val.	7½% ad val.
Organs and parts.....	No.		2			11	11,840	35% ad val., if pipe organs and parts; 40% ad val., if pipe-organ player actions (church); 60% ad val., if pipe-organ player actions (other).....	17½% ad val., if pipe organs and parts; 20% ad val., if pipe-organ player actions (church); 30% ad val., if pipe-organ player actions (other).

MARKET FOR CANADIAN GRANITE IN THE EASTERN UNITED STATES

C. H. WEST, ASSISTANT TRADE COMMISSIONER

New York, February 9, 1940.—Imports of granite into the United States must compete with a well-established and diversified domestic production. Localities in which granite is found are fairly widely scattered, so that local demands can often be readily supplied from adjacent sources. Most of the industry, however, is situated along the Atlantic seaboard, more particularly in the northeastern states.

There are seven states which in 1938 had a granite output exceeding half a million dollars in value. In order of importance these were Vermont, Massachusetts, Georgia, Maine, Minnesota, Wisconsin and South Dakota. Massachusetts and North Carolina have a well-balanced output, which is not confined to one or two kinds of material. In other states, on the other hand, there is a trend towards specialization in monumental stone, and to a lesser degree in building stone. Again some states, such as Vermont and Rhode Island, have more completely specialized in monumental stone.

The following table shows the domestic production of granite for building and monumental uses and for all uses, including rubble, paving blocks and curbing, in nine leading states and for the country as a whole, in 1938:—

Granite (Dimension Stone) Sold or Used by Producers in the United States in 1938

State	Building		Monumental		Total	
	Construction	Architectural and Dressed	Rough	Dressed	Short Tons (Approx.)	Value \$
	Short Tons	Cu. Ft.	Cu. Ft.	Cu. Ft.		
Georgia	12,300	25,180†	518,750	64,440	100,510	1,021,939
Maine	5,290	233,170	9,810	3,730	59,420	931,464
Massachusetts	9,590	304,880	27,710	.....*	113,180	1,575,832
Minnesota . . . . .	.....	145,550	196,100	60,440	33,380	712,903
New Hampshire	3,340	73,620	5,500	.....*	19,090	382,822
North Carolina	7,800	43,620	30,090	7,260	31,260	472,240
Pennsylvania	54,860	1,920†	.....*	22,120	73,860	226,125
Vermont . . . . .	.....	.....*	605,790	.....*	50,130	1,909,895
Wisconsin . . . . .	.....*	7,970†	12,180	43,850	12,210	688,641
Others	109,460	131,500	355,260	129,510	179,590	1,856,171
Total	202,640	967,410	1,761,190	331,350	672,630	9,778,032
	Cu. Ft.	Short Tons	Short Tons	Short Tons		
Approximately	2,449,520	80,210	145,060	26,250		

* No separate figures; included in "others". † Architectural only; dressed included in "others". ‡ Figures for dressed only; architectural included in "others".

SALES OF GRANITE

Total sales of dimension stone in 1938 declined 7 per cent in quantity and 12 per cent in value from 1937. Sales of stone are, of course, dependent to an unusual degree on the volume of building and highway construction. The building industries made substantial gains during the late months of 1938, with consequent stimulation of some production; but the increase in output during that period was insufficient to overcome the earlier decline in sales.

The following table shows the quantities, total values and average unit values of the various classes of stone sold in the United States in 1938 and 1937, and the increase or decrease for each figure in 1938 as compared with 1937:—

	1937	1938	Inc. or Dec. in 1938
Building stone:			
Rough construction... ..short tons	172,480	202,640	+ 17.5
Value... ..\$	386,267	343,984	- 10.9
Average per ton... ..\$	2.24	1.70	- 24.1
Cut stone, slabs and mill blocks... ..cu. ft.	1,240,040	967,410	- 22.0
Value... ..\$	2,681,888	2,460,649	- 8.2
Average per cubic foot... ..\$	2.16	2.54	+ 17.6
Rubble... ..short tons	111,140	108,220	- 2.6
Value... ..\$	129,958	127,372	- 15.1
Monumental stone... ..cubic ft.	2,657,630	2,092,540	- 21.3
Value... ..\$	6,628,447	5,650,996	- 14.7
Average per cubic foot... ..\$	2.49	2.70	+ 8.4
Paving blocks... ..number	7,866,994	4,165,230	- 47.1
Value... ..\$	780,611	452,542	- 42.0
Curbing... ..cubic ft.	881,310	894,970	+ 1.5
Value... ..\$	825,148	742,489	- 10.0
Total quantity—approx... ..short tons	751,330	672,630	- 10.5
Total value... ..\$	11,452,319	9,778,032	- 14.6

While the total construction volume in 1939 was the largest since 1930, for the 37 eastern states there was a decline of 7 per cent from the 1938 value of \$1,139,004,000 in public works and public utility contracts, and of 11 per cent from the 1938 total of \$1,072,137,000 in non-residential construction. It is in these branches of the building industry that granite is normally employed, and sales consequently were correspondingly affected.

The granite industry has suffered also from competition with cheaper materials, apart from the natural inclination of engineers to use materials with which they may be more familiar, such as steel and concrete. Another tendency of to-day is for smaller builders, such as store-owners, to put up store fronts with modernistic effects that are designed to attract the public. Stainless steel, enamelled sheets, or aluminium plate may be used in these cases, and the store fronts can again be modernized in a few years time at much less expense than if granite were used.

One firm in Minnesota is said to be meeting this competition, and making an active bid for business in all parts of the country, with veneer granite, which comes in thicknesses of $\frac{3}{4}$ -inch to 1 $\frac{1}{2}$ -inch. It is reported that no great quantity has entered New York, however, because of difficulty with local labour unions.

MONUMENTAL STONE

The most important centre for monumental granite in the United States is Barre, Vermont. From the figures given in the first table above it will be observed that in 1938, out of a total state production value of \$1,909,895 for dimension stone, Vermont quarries produced rough monumental stone to the value of \$1,849,890 or over 96 per cent of the total output.

Upwards of one hundred manufacturers of granite are located in the Barre district, although five of these are of major importance. Monumental granite sold by quarrymen in the Barre area in 1938 amounted to 605,660 cubic feet valued at \$1,849,607, and in the previous year to 847,740 cubic feet valued at \$2,390,377.

Barre granite is sold to some extent for construction, paving blocks and crushed stone, but it is outstanding in its qualities for monumental purposes. It is light in colour, of pleasing appearance, uniformity, and soundness, and resistant to weathering. Some Barre granite is reported to bring up to \$7 per cubic foot at the quarry, but an average quotation is from \$3 to \$4 per cubic foot, f.o.b. quarry.

Quincy, Massachusetts, is another well-known source of supply for monumental stone. In 1938 there were three active plants in that centre, and their output of monumental granite aggregated 33,360 cubic feet with a value of \$73,832 as compared with 36,020 cubic feet valued at \$80,248 in 1937. Quincy

granite is dark gray, sometimes almost black. The quality of some of it is not so good as that of the Barre product. Quotations range from \$4 down to \$2.50 per cubic foot for the rough stock at the quarry.

A cheaper type of light gray stone for monumental purposes comes from the district of Elberton, Georgia. This is a softer stone and hence can be quarried for less cost; and, in addition, it is said that wages in the South are lower. There is the countervailing disadvantage of a longer rail haul to New York. Elberton granite sells for 75 cents to \$1.50 f.o.b. quarry.

There is still a preference for light-coloured stone for monuments, but various coloured granites also have a steady market. Black granite is produced domestically in a number of states, including Pennsylvania, New Jersey, Maine, Wisconsin and Minnesota. Prices on black granite from Cooperstown, Pennsylvania, range from \$2 to \$2.50 f.o.b. quarry, and it is trucked to New York for 75 cents per cubic foot. This black granite is used for building as well as monumental purposes; a quantity has been utilized, for instance, by a well-known chain-store system on some of their more recent store fronts. Shipments from Minnesota and Wisconsin of black stone and stone of other colours are not large owing to freight rates, and the principal outlet for these is in the Mid-West.

Wasau, Wisconsin, is one of the main sources of supply in the West for red granite. A pinkish-red granite is shipped to New York from Texas by water. Quotations within the last year on Wasau rough granite f.o.b. quarry were \$5.50 per cubic foot for blocks of 5 to 20 cubic feet and \$6 for blocks of 20 to 30 cubic feet. These prices were for die stock. Base stock was priced at \$3.30 in blocks of 5 to 20 cubic feet, and at \$3.70 per cubic foot in blocks of 20 to 30 cubic feet. Sawed and polished slabs in thicknesses from 7 to 10 inches were quoted at \$3.60 per square foot, sawed and axed slabs at \$3, and ordinary sawed slab at \$1.45.

The principal localities for red granite in the East are Stony Creek, Connecticut, and Westerly, Rhode Island; but it is understood that these quarries are not operating very extensively at the present time.

BUILDING STONE

Massachusetts is the leading source of supply for building granite in the United States. Out of a total granite production of approximately 113,180 short tons, valued at \$1,575,832, for that state in 1938, dressed stone for construction purposes accounted for \$831,380 or 52 per cent of the total value. In the same year, Maine shipped dressed building blocks to the value of \$487,658, representing over 52 per cent of the value of its total granite production. New Hampshire and North Carolina are other leading suppliers. Maine is also a large producer of paving blocks, being the principal source of supply for this material in the United States. In Massachusetts and North Carolina a considerable volume of granite is sold for curbing.

Many of the quarries in Maine are located along the coast and shipments can be made to New York by boat. This state, therefore, enjoys a considerable advantage in transportation costs over other localities correspondingly distant from New York. The same may be said of Massachusetts. Building stone from Deer Island, Maine, is very well known in New York. Quotations for the rough stock are about \$1.25 per cubic foot, delivered New York. The building stone from Deer Island is bluish gray in colour. Granite from Rockport, Massachusetts, which comes in gray and green, sells at a slightly higher price.

The production of building stone has become of increasing importance in North Carolina since 1926. Granite from that state is sold extensively as far north as Philadelphia; it is also quite common in New York. Much of the

increased volume from North Carolina is of Mount Airy granite, which is used in medium-priced dwellings. It is quoted at about \$1.50 at the quarry.

IMPORTS

During 1938 imports of unmanufactured granite totalled 30,523 cubic feet valued at \$49,230, of which 15,146 cubic feet valued at \$20,765 was from Finland, and 11,632 cubic feet valued at \$22,982 from Sweden. Imports from Canada under this classification were only 2,919 cubic feet valued at \$3,482. Granite, hewn, dressed, pointed, pitched, lined or polished, was imported to the extent of 40,891 cubic feet valued at \$200,243, practically all of which came from Finland.

Statistics of quantities imported in 1939 are not yet available, but imports had a total value of \$166,023, marking a decrease of over 30 per cent from the previous year.

CUSTOMS DUTIES

The rates of duty on granite from Canada is the same as that on the Finnish product. These rates are 12½ cents per cubic foot on unmanufactured granite, and 30 per cent ad valorem on granite, hewn, dressed, pointed, pitched, lined or polished. Paving blocks enter at the last-mentioned rate, and unmanufactured granite, not suitable as monumental or building stone, is duty free.

PROSPECTS FOR IMPORTS FROM CANADA

There are somewhat conflicting opinions on the opportunities for the importation of Canadian granite. At present it is little known in this market. Some dealers assert that imports generally have been steadily declining, and that imported stone has been sold largely because of a sentimental attachment by customers who were of European origin. This view probably can be discounted to quite an extent. Undoubtedly imported stone has found a market here, although more expensive than domestic granites, because of its distinctive appearance and properties.

It is said that no Finnish granite is coming in now. On Swedish granite a large wholesaler reported that he is quoting \$7 to \$7.50 per cubic foot for stone which he imported in the rough and polished here.

It seems to be the general opinion that, if Canadian granite is to be sold, it must compete with American stone on a price basis. Generally the original quotation **must be taken into consideration**, as well as the cost of cutting and finishing Canadian stone. At the same time the cost is not necessarily a determining factor, since an architect, if he is sufficiently attracted by a stone, may include it in his specifications almost without regard to the cost. As already observed, Canadian granite is not well known to American builders; therefore steps would have to be taken to provide dealers with samples, both in the rough and finished state.

As for the general market for granite, it will not return to its former level until there is a resumption in building activity of a type in which granite would likely be used, such as public works projects, banks, business blocks, etc. On the other hand it is also true that the sale of any type of granite depends to a great extent on the activity of the dealer concerned with its promotion. Especially for monumental work the dealer is well situated to influence the customer in his choice of stone.

Granite customarily is quoted on an f.o.b. basis, but to assist Canadian quarrymen in forming some estimate of their delivered costs, it may be said that the freight rate on rough quarried granite blocks from Montreal to New York is 37 cents per 100 pounds, minimum 50,000 pounds; for dressed granite it is 49 cents, minimum 50,000 pounds; and for polished it is also 49 cents, minimum 36,000 pounds.

Definite expressions of interest in Canadian granite, provided certain price limitations can be met, have been received from several firms. One monument firm would be glad to receive quotations on and samples of Canadian granite resembling Finnish Balmoral red granite, which could be delivered at the approximate cost of \$2.50 per cubic foot. Another firm have expressed an interest in obtaining from Canada supplies of black granite at approximately \$2 and red granite at between \$2 and \$3 f.o.b. New York. There seems little desire, however, on the part of dealers to obtain additional sources of the conventional gray granites.

OPPORTUNITIES FOR CANADIAN NEWSPRINT IN EGYPT

HENRI TURCOT, CANADIAN TRADE COMMISSIONER

[One Egyptian pound (£E.) is approximately equal to \$4.46 Canadian]

Cairo, December 29, 1939.—The following table shows the quantities and values of imports of newsprint (white, unglazed and glazed) into Egypt by supplying countries in 1938 and 1937, according to Egyptian official statistics:—

Egyptian Imports of Newsprint, 1938 and 1937

	1938		1937	
	Kilos	£E.	Kilos	£E.
Total.....	10,372,519	111,211	12,487,549	163,302
United Kingdom	81,197	1,171	241,000	3,703
Austria	307,494	3,361	468,066	6,807
Belgium	6,472	162	45,741	708
Czecho-Slovakia	25,090	239	.....	.....
Finland	5,633,414	57,293	5,726,865	73,976
Germany	760,483	8,525	1,820,243	23,680
Netherlands	113,838	1,602	234,657	2,969
Italy	73,080	772	140,000	2,088
Norway	321,852	3,563	236,293	3,147
Estonia	2,741	60	13,000	169
Sweden	3,046,858	34,463	2,942,328	36,892
Canada .. . . .	.....	.....	619,356	9,063

The above figures give a fair idea of the distribution of Egypt's newsprint trade before the outbreak of the war. Since last September, however, the situation has changed radically. Egyptian importers are prohibited from transacting business with Germany and countries in enemy occupation, while supplies from Sweden and Norway, owing to shipping difficulties, are almost impossible to obtain. In addition, the war in Finland (Egypt's chief source of supply) has cut off imports from that country. Since the beginning of September, very little newsprint from abroad has reached Egypt; the shipments received originated in Italy (sheets) and in Norway and Sweden (rolls). On the other hand, some quantities of Canadian newsprint in rolls have been ordered and are now on their way to Egypt.

OUTLOOK FOR CANADIAN SALES

Prices quoted by Canadian manufacturers are favourable, and, since little hope is entertained regarding the possibility of obtaining newsprint in Scandinavian countries, it is estimated in local trade circles that sales of Canadian newsprint to Egypt should increase greatly. Such a development would appear to be borne out by the wide interest shown in the Canadian product by both press and trade.

Stocks of newsprint in rolls are sufficient to fill the country's needs for several months, but the trade, thinking that it may become increasingly difficult to obtain supplies from abroad, are inclined to effect further purchases. Meanwhile an active interest in newsprint in sheets has developed, stock of this variety being rather low.

REQUIREMENTS, TERMS AND DUTIES

Normal annual requirements of white newsprint, unglazed and glazed, in Egypt amount to approximately 12,000 tons, and are made up as follows: unglazed newsprint, 8,000 tons (rolls) and 2,000 tons (sheets); glazed (super-calendered) newsprint, 500 tons (rolls) and 1,500 tons (sheets). In the case of unglazed newsprint, the rolls are from 70 to 173 centimetres in width, the widths in greater demand being 70, 86·5, 130 and 173 centimetres, and from 52 to 56 grams per square metre in weight; the sheets are in sizes of 57 by 82, 61 by 92, and 70 by 100 centimetres, and in weights of 50 to 60 grams per square metre, packed in reams of 250 or 500 sheets flat and in bales of 180 kilograms gross weight. Glazed newsprint generally comes in rolls of 132 centimetres in width and about 60 grams per square metre in weight (a lighter paper would now be considered); and in sheets of 61 by 90, 61 by 92, 61 by 93 (the most common sizes), 57 by 82, 65 by 100, and 70 by 100 centimetres, weights being 50, 60, 62, 63, 67, 76 and 83 grams per square metre, those chiefly in demand being 62 and 63 grams.

Under the circumstances, terms of irrevocable letter of credit in Canada are accepted. Quotations may be on an f.o.b. basis.

The Egyptian customs stipulate that all imported newsprint, to be dutiable as such, must bear a continuous watermark of not more than 5 centimetres throughout the roll or sheet, weigh between 45 and 80 grams per square metre, and have a width of not less than 35 centimetres.

ARGENTINA'S EXPORTS OF AGRICULTURAL PRODUCTS IN 1939

J. A. STRONG, CANADIAN TRADE COMMISSIONER

Buenos Aires, January 31, 1940.—The value of exports of Argentine agricultural products in 1939 was equal to \$255 million as compared with \$221 million in 1938. It was due largely to low grain prices that this figure was below the last five-year average of \$322 million for agricultural shipments. Grain exports were valued at \$230 million or an increase of \$35 million over 1938.

GRAIN TRADE

Argentina's wheat crop in 1937-38 amounted to 336 million bushels, which was the second largest yield since the first Great War. Exports of wheat amounted to 174 million bushels in 1939 and there is a carryover of 70 to 75 million bushels for 1940. The value of Argentine wheat exports was \$91 million in 1939 as compared with \$61 million in 1938. Due to low world prices the average unit value of the wheat exported last year was 38 per cent below that of 1938.

Argentina has just harvested a comparatively poor wheat crop. Unduly heavy rains during October combined with frosts in early December more than halved the early prospects of another big wheat crop. The quality of the new crop is not generally good; some of it is of poor quality. Including the carryover from the 1938-39 crop Argentina may not have available for export in 1940 more than 110 million bushels of wheat, of which more than one-third should be taken by South American countries, including Brazil.

Argentina has had two poor corn crops in succession following three successive big crops. The 1938 and the 1939 corn crops averaged only 46 per cent of the average production of the three years 1935, 1936 and 1937. Argentine exports of corn last year amounted to 125 million bushels as compared with 103 million bushels in 1938 and a five-year average of 238 million bushels. Argentina exported 357 million bushels of corn in 1937 and 329 million bushels in 1936.

The combination of adequate rainfall and hot weather during the first three weeks in January makes the Argentine corn crop, barring damage from early frosts. The prospects for the 1940 corn crop are excellent in some quite important districts, but only moderately good in the main zone. The acreage planted in the present crop is considerably above normal. Argentina may possibly have an exportable surplus of corn in the neighbourhood of 300 million bushels from the March-April harvest this year, or a volume at least sufficient to meet the probable wartime demand as influenced by the tonnage likely to be available to carry it to Europe in 1940-41.

Argentine exports of flaxseed amounted to 46 million bushels in 1939. This figure was 23 per cent below the last five-year average. The present crop, which will be available for export in 1940, is estimated to be 30 per cent below the average production for the crop years 1935-36 to 1939-40.

EXPORTS OF GRAIN AND OTHER PRINCIPAL AGRICULTURAL PRODUCTS

The following table shows the quantities of grain and other principal agricultural products exported from Argentina in 1937, 1938 and 1939, and the average exports of each in the five years ending 1938:—

Exports of Grain and Other Agricultural Exports

	1937 Bushels	1938 Bushels	1939 Bushels	5-Year Aver. Bushels
Grain—				
Wheat	142,660,057	71,211,065	174,090,927	117,745,319
Corn	357,133,366	103,836,495	125,605,669	238,623,665
Flaxseed	70,820,486	49,720,395	46,494,730	59,074,408
Oats	26,140,126	24,740,316	24,735,631	22,280,776
Barley	11,681,366	9,701,424	11,868,641	12,772,024
Rye	3,628,648	205,578	7,657,644	5,237,935
	M. Tons	M. Tons	M. Tons	M. Tons
Birdseed	12,647	7,833	6,877	12,180
Other cereals	32,233	34,262	48,164	41,919
Other Agricultural Products—				
Wheat flour	95,196	84,034	98,710	89,256
Mill feeds	370,351	388,645	391,515	392,565
Oilcake	112,855	113,652	113,172	108,778
Other oil products	51,085	73,573	88,421	76,139
Fresh fruits	28,632	32,924	52,681	30,797
Corn products . . . . .	.....	20,976	39,860	.....
Raw cotton	12,480	22,361	19,388	27,953
Vegetables . . . . .	.....	30,779	13,639	.....
Alfalfa seed	449	305	539	535
Others	70,742	38,103	68,252	64,503

The Argentine Government guaranteed producers a minimum price approximately equal to 60 cents a bushel for the 1938-39 wheat crop. The guaranteed price was withdrawn at the outbreak of war when the market rose above the minimum price. There has been no official figure announced on the loss incurred by the Government, but the loss is believed to have been substantial. In view of the poor wheat crop just harvested there has been no question raised of a guaranteed price for the current crop. It seems unlikely that the Government will consider establishing a minimum price for corn unless prices, due to a large crop combined with a shortage of cargo space for Europe, should go to an extremely low level.

LIVE-STOCK INDUSTRY

Live-stock producers in Argentina experienced a satisfactory year in 1939. Prices for export quality steers increased by approximately 10 per cent after the start of the war. Pastures were not affected by drought during the year. There were unusually heavy rains in the last quarter, so that an ample feed reserve for this summer is assured. The live-stock industry expected at first

a much greater increase in cattle prices as a result of the war. Argentine breeders, however, are now more reconciled to the present level of prices, which the breeders themselves admit will allow them a good margin of profit.

PRICES AND CONTRACTS

The liveweight price for prime chiller quality export steers reached a post-depression peak of 32 Argentine cents per 2·2 pounds at the packing plant (equivalent to just under 5 cents per pound Canadian) between October and December, 1937. Prices then declined steadily to 28 cents in October, 1938, and held at that level until the outbreak of the war. On September 1 last the base price for chiller steers was increased to 30 cents and in late October a four-months' contract was negotiated with the United Kingdom and France on the basis of 31 cents for this quality of cattle. Export cattle prices thus are still below the peak price of 1937, but the net returns to export cattle raisers are now approximately 10 to 15 per cent greater than the average returns for recent years and higher than at any time since 1929.

The United Kingdom negotiated a contract with the Argentine Government for a four-months' supply of refrigerated beef for Great Britain and France in October last. Chilled beef is not shipped now, although prices are still based on chiller and freezer quality steers. This contract calls for the shipment of 374,850,000 pounds of frozen beef over a period of sixteen weeks, or an increase of 29,767,500 pounds over the normal pre-war requirements of the United Kingdom. The contract will require the slaughter in four months of about 600,000 head of steers, of which 426,000 will be steers of "chiller" quality, 109,000 "German" freezer quality (Germany was taking 110,250,000 pounds of frozen beef annually before the war), and 73,000 "Continental" freezer quality. To date 86·4 per cent of the chiller quality steers have been bought from stock raisers at 31 cents and 11·6 per cent at 30 cents. The freezer quality steers are being bought at 25·5 to 28 cents. "German freezer" quality steers were at 26 cents before the war. A contract for 66,150,000 pounds of tinned beef for the United Kingdom is proposed on the basis of 18 to 21 cents for canner quality cattle. These canner prices would represent a substantial increase over pre-war prices.

The Argentine Government also negotiated a contract for the shipment to the United Kingdom of 66,150,000 pounds of frozen lamb and mutton over a four-month period from October last. Live lamb prices have risen very sharply since the outbreak of the war.

EXPORTS OF MEATS AND OTHER ANIMAL PRODUCTS

Argentine exports of refrigerated beef amounted to 1,017,049,635 pounds in 1939 as compared with 981,571,185 pounds during 1938. From the outbreak of the war to December 31 shipments reached a total of 337,314,285 pounds, showing a slight decrease from 337,649,445 pounds for the corresponding period in 1938. This decrease was due to temporary delays in effecting shipments immediately after the war began and to the stoppage of shipments of frozen beef to Germany.

The following table shows the quantities of all classes of animal products exported from Argentina in 1937, 1938, 1939, and in the last four months of 1938 and 1939:—

<i>Exports of Animal Products</i>					
Meats—	1939	1938	1937	Sept.-Dec.	
		Thousands of Pounds		1938	1939
Chilled beef.. . . .	773,847	755,049	770,606	250,669	258,492
Frozen beef	243,203	226,522	203,109	86,981	78,822
Frozen mutton.. . . .	118,384	105,009	113,912	35,075	47,207
Frozen pork	13,843	18,467	21,208	5,662	4,580
Salt beef	9,232	10,766	12,617	4,791	2,553

Exports of Animal Products—Concluded

	1939	1938	1937	Sept.-Dec.	
				1938	1939
<i>Meats—Concluded</i>		Thousands	Pounds		
Salt pork	3,998	4,461	7,001	1,724	1,976
Tinned meats	181,952	163,730	168,224	63,169	48,953
Tongue	10,333	9,354	9,689	2,915	2,990
Offals	66,456	64,463	63,764	23,505	24,875
Frozen poultry	5,076	3,874	4,350	1,191	1,599
Meat extract	25,346	25,331	30,019	9,609	7,510
Pork products	10,433	16,950	21,534	4,375	3,629
Other meats	4,205	5,329	2,878	2,456	1,731
Total meats	1,466,108	1,409,305	1,428,911	492,122	484,917
Total value of meats	330	Millions of Pesos	312	112	116
<i>Animal products—</i>		Thousands	Pounds		
Cattle hides	295,704	261,317	278,055	96,440	90,645
Other hides	79,360	86,370	87,150	23,481	25,812
Greasy wool	270,534	285,115	213,362	87,715	59,059
Other wool	58,759	49,777	42,173	19,788	21,715
Dairy products	71,023	50,554	56,922	22,255	32,652
Animal sub-products	509,528	414,297	560,288	144,072	159,347

The increase in shipments of Argentine refrigerated beef to the United Kingdom and France from September to December, 1939, was approximately 8 per cent as compared with the pre-war level. Against this increase was the loss of shipments to Germany, which were at the rate of 110,250,000 pounds annually. Belgium and Italy have recently signed small contracts for frozen beef with Argentina. Italy is reported to be considering the purchase of a quantity similar to that taken previously by Germany, but it seems improbable that Italy would buy such a quantity of beef. Italy and Belgium take an inferior quality of beef from Argentina. Consequently Argentina can expect a moderate increase in export shipments of meats. Her producers are already enjoying a fairly substantial increase in live-stock prices from pre-war levels.

There were 4,668,252 head of cattle slaughtered by the packing plants in Argentina in 1939 as compared with 4,356,754 during 1938. The comparative figures for sheep and lambs were 5,567,377 and 5,801,036 and for pigs, 899,117 and 1,040,221. The decrease shown in the slaughterings of hogs was due to the poor corn crop harvested last year in Argentina.

Argentina exported 247,585 turkeys to the United Kingdom and 8,592 turkeys to the United States up to November 30.

It is understood that the United Kingdom and France are buying 22,000 hundredweight of Argentine butter each month.

EXPORT PRICES OF PRINCIPAL PRODUCTS

The following table shows the average export prices of the principal Argentine products for the years 1936 to 1938 inclusive, for the eight months January to August, 1939, and for each of the four (war) months, September to December, 1939:—

	1936	1937	Jan.-Aug.		War Period 1939			
			1938	1939	Sept.	Oct.	Nov.	Dec.
<i>Animal Products—</i>				Pesos per	Metric	Ton		
Chilled beef	474	487	486	464	464	520	528	531
Frozen beef	236	311	324	307	310	445	441	451
Frozen lamb	684	697	709	604	562	721	730	739
Tinned meats	303	446	602	629	598	562	562	562
Cattle hides	656	893	626	....	670	855	807	818
Greasy wool	1,057	1,401	949	899	996	1,222	1,213	1,261
Butter	1,084	1,064	1,214	1,248	1,154	1,404	1,400	1,200
<i>Grain—</i>								
Wheat	105	122	94	56	48	62	61	69
Corn	53	65	68	61	63	71	69	69
Flaxseed	142	152	153	139	152	180	160	159

Although the peak price for export cattle in 1937 was higher than the price being currently paid under the wartime contract with London, Argentine cattle prices varied widely in 1937 and the average was actually almost 10 per cent lower than at present.

Uruguay

Uruguayan packing plants slaughtered 961,096 head of cattle in 1939 as compared with 963,827 head during 1938. The Uruguayan Government has negotiated one contract with London for the export of meats to the value of approximately £873,000. The effect of the war on live-stock prices in Uruguay has been similar to that in Argentina.

GERMAN TRADE WITH CUBA

C. S. BISSETT, CANADIAN TRADE COMMISSIONER

(One Cuban peso equals \$1 Canadian; one kilo equals 2.2 pounds)

Havana, December 23, 1939.—In the years preceding the war of 1914-18 trade with Germany in both imports and exports was an important item in Cuban economy. With the outbreak of hostilities Germany's share of Cuban trade was captured by other countries, principally the United States, which has since remained as the supplier of about 70 per cent of Cuba's imports. Nevertheless, during the decade preceding the declaration of war in September last Germany had made determined and successful efforts to re-establish itself as one of Cuba's principal suppliers. This was accomplished largely through the aid afforded by government subsidies to exports, depreciated currency, subsidized steamship services, barter trade and long term credits. It resulted in Germany attaining in 1938 the position of second supplier to Cuba, displacing the United Kingdom from that position. Total purchases from Germany in that year were valued at \$4,680,694, while Cuba's total imports from all countries amounted to \$106,007,325. The German percentage share was 4.42 per cent of the total.

For the first ten months of 1939 the total value of German goods imported into Cuba was \$3,415,499 as compared to \$3,977,710 in the same period of 1938.

The barter principle as used by German exporters was the most disturbing factor in the competition encountered by other countries. Barter agreements almost invariably were drawn up in a manner which precluded the application of penalties for dumping or unfair competition. Generally German goods were bartered on the basis of their true market price, or home consumption value in Germany, for Cuban export commodities which, however, were credited at an appreciable increase over their current world selling price. The extra profit thus obtained enabled the Cuban importer to cut *pro rata* the resale price in Cuba of the German goods in question. As a result the market for certain commodities, was completely disrupted. In some cases one to two years' supply of a particular article was accumulated, and heavy losses were sustained by the Cuban participants through the necessity of distress sales and depreciation. Suppliers of similar goods in other countries were shut out of the market, and local industry as well suffered appreciably.

MARKET PROSPECTS FOR CANADA

It is doubtful whether the entire loss of Germany's market in Cuba will greatly benefit Canadian exporters. Some benefit will doubtless accrue providing Canadian manufacturers of certain commodity groups take advantage of the opportunity afforded. However, it is almost certain that, because of its preferential position in this market, the United States will obtain the great bulk of

Germany's former trade, except in those articles which that country itself previously found it necessary to import from Germany. Under the United States-Cuban trade treaty the former country receives tariff discounts ranging from a minimum of 20 per cent to a maximum of 80 per cent on every item in the tariff except the few on the free list. Added to this advantage are nearness to the market, excellent shipping services, good banking facilities and the fact that a substantial number of American branch offices are located in Cuba and considerable American capital is invested there. This highly preferential position will make it just as difficult for other countries to compete against the United States for Germany's former trade in Cuba as it has always been when competing for a share of the normal peace-time market. However, a certain share of this trade can be obtained if Canadian producers' selling agreements permit them to quote for this market. Another important factor is the tariff treatment accorded by Cuba to Canadian goods. Provided that it can be assured that the Cuban minimum tariff will apply continuously and not be changed annually to some higher tariff basis, as has been the case for several years past, continuity of sales can be built up and something other than a casual foothold in this market can be established.

Although the prospect of Canada's obtaining any large share of Germany's former trade is not particularly promising, there is on the contrary a very definite prospect of her benefiting appreciably in certain import groups from the loss of trade suffered by the Baltic and Scandinavian countries, since the most important share of their trade is in products which are produced in Canada. These mainly are the dried fish, the timber and the paper and pulp groups and, of smaller value, such products as malt, barley, and calcium carbide. There is however little evidence to date of any appreciable drop in the Swedish and Norwegian exports to this country, although those from Russia, Poland, Finland, Latvia, Lithuania, and Esthonia have practically ceased. Nevertheless, should war conditions later on curtail appreciably the shipping space available to Norway and Sweden, these two countries might find it impossible to continue their shipments to Cuba, which would give exporters in the Dominion of these products an excellent chance to substitute Canadian goods.

IMPORTS BY COMMODITY GROUPS

The following table shows the total imports into Cuba from Germany in each of the main import classes for the calendar year 1938. Values throughout are in Cuban pesos, the peso at par being equal to the Canadian dollar:—

Pharmaceutical and chemical substances and materials.. . . .	\$1,323,098
Metals and metal manufactures.. . . .	961,200
Stone, earth, minerals, glass and ceramics.. . . .	740,912
Machinery, instruments, apparatus, and vehicles.. . . .	573,783
Cotton and its products.. . . .	425,872
Paper and paper products.. . . .	193,209
Vegetable fibres including rayon and its manufactures.. . . .	116,805
Animals and animal products.. . . .	40,470
Food products and drinks.. . . .	39,902
Wool, hair, bristles, and manufactures.. . . .	31,836
Wood and other vegetable substances.. . . .	30,604
Silk and its manufactures.. . . .	3,347
Miscellaneous.. . . .	199,656
Total.. . . .	\$4,680,694

In addition to the imports from Germany proper, shown above, small amounts were also imported from those countries which are now either wholly or partially incorporated into Germany. These, with their total values in each case, were: Austria \$70,619; Czecho-Slovakia \$541,434; Poland, \$59,381.

In order to illustrate the component parts of each of the above groups, a table for each, which includes the weights and values for the various products of which it is composed, is given below. The first column shows the total weight

and value of the product concerned imported by Cuba from all countries combined, and the second shows the total weight and value from Germany alone.

PHARMACEUTICAL AND CHEMICAL PRODUCTS

In the breakdown of each of the main commodity groups, the chief single German import items with a value of \$500 or more is shown.

	Total imports		German share	
	Kilos	\$	Kilos	\$
Camphor.. . . .	7,993	5,917	7,726	5,680
Tanning materials.. . . .	2,213,130	209,827	37,840	8,534
Hops and malt.. . . .	7,137,681	742,788	202,547	76,833
Other products of the vegetable kingdom.. . . .	558,996	82,835	9,817	3,347
Natural and artificial colours.. . . .	1,524,523	308,089	292,709	81,454
Lead pencils.. . . .	81,842	88,113	23,148	22,309
Writing, printing and lithographic ink.. . . .	437,300	155,217	44,057	35,088
Inorganic salts.. . . .	2,547,205	113,078	366,854	17,779
Phosphates and sulphates of ammonia, aluminium, etc.	27,144,199	472,049	2,865,952	98,352
Carbonate and sulphate of soda.. . . .	1,966,807	56,343	61,695	2,794
Organic salts.. . . .	85,992	41,062	17,330	8,932
Alkaloids and chlorides.. . . .	5,124	44,167	257	11,638
Chemical products not specifically classified.. . . .	1,744,632	704,389	128,593	90,360
Acetone and methyl alcohol.. . . .	363,532	34,752	110,350	9,465
Pills, capsules and similar articles.. . . .	149,571	838,808	22,015	248,381
Patent medicines.. . . .	1,247,745	2,045,805	47,363	270,591
Biological products.. . . .	24,130	178,964	4,362	67,029
Antitoxins, vaccines, sera, etc..	81,403	300,994	4,561	58,026
Disinfectants and insecticides.. . . .	631,203	142,261	33,917	9,693
Other pharmaceutical products.. . . .	109,965	104,402	16,819	14,836
Medicinal soaps.. . . .	15,997	12,757	327	2,607
Natural and artificial essential oils.. . . .	71,862	322,698	3,254	16,697
Artificial or chemical fertilizers.. . . .	3,112,185	140,856	2,088,785	111,330
Albuminoids.. . . .	268,394	83,894	44,115	11,317

The largest share of Germany's sales to Cuba came under this group. Out of a total import value of \$11,023,216 from all countries, Germany's share amounted to \$1,323,098, which was 12 per cent of the total imports. In comparison \$5,805,731 is credited to the United States and \$1,409,904 to France.

This is one group in which Canadian exporters have some chance of increasing their sales. In spite of tariff and other handicaps, some Canadian pharmaceutical products are now being sold in Cuba, and this business could be increased. Something might also be done to introduce British Columbia hops if present shipping services were improved. Some Canadian dry colours are sold here, and an increase in this item is feasible. Sulphate of ammonia presents another opportunity, as does also artificial or chemical fertilizers of different kinds. Inquiries have been received as well for albuminoids, adhesives, and sizing such as potato dextrine.

METALS AND THEIR MANUFACTURES

The total Cuban imports under this heading were valued at \$9,391,124, of which Germany supplied 10.2 per cent, with a total value of \$961,200. This was second to the United States whose share was \$7,361,889.

	Total imports		German share	
	Kilos	\$	Kilos	\$
Silver jewellery without precious stones.. . . .	35	4,806	15	2,333
Other articles of silver.. . . .	1,939	16,343	61	2,738
Articles of gold plate.. . . .	29,944	80,198	2,072	6,450
Bars and rods of all shapes.. . . .	11,377,822	530,207	351,773	15,771
Rolled sheets, plain.. . . .	246,027	23,968	39,006	4,670
Rolled sheets, tinned.. . . .	9,811,883	1,112,163	327,243	33,910
Rolled sheets, polished, corrugated, galvanized, etc..	3,760,478	397,354	184,545	20,166
Fishplates, bearings, sleepers, springs and axles for railway cars.. . . .	602,230	128,695	10,578	3,764
Other springs.. . . .	289,524	49,602	73,177	9,521
Galvanized piping.. . . .	3,184,729	307,513	501,470	41,993
Wire.. . . .	3,566,598	336,200	479,813	34,342
Wire cables.. . . .	353,296	79,950	102,873	17,808
Fences and grill-work.. . . .	624,778	66,914	239,343	25,235

Imports of Metals and Their Manufactures—Concluded

	Total imports		German share	
	Kilos	\$	Kilos	\$
Barbed wire and staples.. . . .	7,064,404	523,583	798,289	58,840
Wire gauze.. . . .	125,201	47,982	41,905	20,823
Fine tools and implements for arts and professions	196,678	189,939	44,576	38,008
Ploughs, hoes, sickles and knives for agriculture.. . .	321,809	121,614	131,329	42,651
Shears of all kinds, hammers, pincers, etc.. . . .	14,135	12,917	4,521	3,059
Other tools, etc.. . . .	151,741	48,711	8,242	3,447
Nails, brads and rivets, screws, nuts, bolts, tacks, meat hooks, etc.. . . .	1,320,588	256,538	83,885	26,164
Pens, needles and pins.. . . .	30,587	41,275	6,770	9,566
Cutlery, including knives of all kinds, razors, scissors, etc.. . . .	69,684	120,060	45,370	66,249
Medical, surgical and dental instruments.. . . .	6,930	41,468	1,594	20,847
Safety-razor blades.. . . .	8,976,846	94,650	179,950	2,443
Articles not painted, japanned or lithographed.. . .	227,262	74,028	20,707	8,536
Articles painted, japanned or lithographed.. . . .	361,459	140,383	7,089	5,242
Articles of all kinds, coated or not with lead or zinc	2,706,331	764,808	529,572	130,236
Beds and other articles of fine manufacture coated with porcelain or nickel, including refrigerators..	1,430,598	577,504	285,033	122,576
Copper and alloys in plates, leaf and powder.. . . .	120,057	44,658	40,569	15,423
Copper wire, plain and insulated.. . . .	1,208,802	416,899	95,147	28,578
Copper gauze.. . . .	19,980	25,938	6,691	6,451
Pins, needles, etc.. . . .	2,609	6,458	505	1,385
Other articles of copper, polished or nickelled or otherwise.. . . .	191,123	357,057	28,872	61,750
Nickel in bars, powder and wire.. . . .	93,779	58,569	11,172	6,896
Aluminium in sheets and all kinds of manufactured articles.. . . .	76,067	97,332	12,531	15,931
Bottle caps and printing type of lead, zinc and alloys	49,642	25,878	9,412	5,725

As far as Canada is concerned this group does not present much opportunity for increased trade. The competition from the other remaining chief suppliers and the tariff preferences accorded to the United States are likely to curtail greatly any expansion of Canadian exports under this heading. However, somewhat larger quantities of metal leaf and powders and nickel bars and wire could be sold.

STONES, EARTHS, MINERALS, GLASS, AND CERAMICS

Similarly there is not much chance to improve the Canadian trading position in this group, which has never constituted more than a negligible percentage of the Dominion's total trade with Cuba. The total Cuban imports under this heading in 1938 were valued at \$9,908,810, of which Germany supplied to the value of \$740,912 or 7.5 per cent of the above total. As usual the United States was first with a value of \$6,943,108. The chief German items were as follows:—

	Total imports		German share	
	Kilos	\$	Kilos	\$
Other stones, natural and artificial, in unpolished slabs, sheets and steps.. . . .	39,326	4,289	23,356	995
Other stones, polished.. . . .	31,462	6,050	6,122	1,466
Vitrolite and similar products in sheets or smooth pieces.. . . .	55,079	9,596	7,806	1,091
Stones for sharpening purposes.. . . .	407,604	30,300	177,512	6,945
Other manufactures of stone.. . . .	46,525	9,071	32,242	5,507
Cement.. . . .	8,876,538	95,311	629,259	3,273
Other articles of gypsum.. . . .	46,455	4,631	6,394	531
Coal.. . . .	307,597,598	1,273,357	17,275,000	71,318
Coke.. . . .	36,804,357	200,662	34,166,894	182,245
Lubricating oil.. . . .	6,737,202	485,666	24,941	2,140
Bottles of all kinds for industry, without labels or ornaments.. . . .	6,563,246	540,781	354,250	45,323
Bottles with labels.. . . .	3,269,837	210,330	166,866	8,547
Other types of glass containers for industry.. . . .	798,068	176,764	206,418	77,688
Bottles constituting ornaments.. . . .	7,216	4,472	1,924	1,579
Shades and other adornments of ordinary glass for lamps.. . . .	83,587	21,791	71,201	10,438
Plain tableware.. . . .	1,970,786	270,876	61,442	25,601
Engraved tableware.. . . .	213,788	79,591	26,698	19,469
Ornaments and fancy articles.. . . .	151,512	115,930	34,420	25,416
Utensils and apparatus for laboratories and scientific uses.. . . .	38,684	50,388	18,575	24,465
Crystal not constituting adornments.. . . .	19,567	23,555	2,437	3,185
Crystal in adornments.. . . .	3,133	6,742	799	1,880

	Total imports		German share	
	Kilos	\$	Kilos	\$
Imitations of precious stones.. . . .	41	1,105	5	791
Optical crystals.. . . .	2,302	24,085	59	1,003
Window panes.. . . .	1,765,253	190,700	131,590	10,018
Mirrors of thin glass.. . . .	31,688	11,333	8,296	2,836
Flags and small tiles.. . . .	21,182	1,875	9,203	1,098
Bath tiles, plinths and facing tiles.. . . .	1,483,829	151,514	668,171	73,734
Tiles decorated in gold or in relief.. . . .	94,628	12,480	50,023	6,543
Tableware, not painted or gilded.. . . .	734,586	120,347	297,402	42,042
Other articles, not painted or gilded.. . . .	237,877	79,788	12,975	3,531
Decorated tableware.. . . .	558,255	154,803	93,106	18,973
Other decorated articles.. . . .	47,635	26,663	2,910	1,077
Tableware and similar articles, not decorated.. . . .	32,411	16,358	8,632	3,547
Decorated tableware and similar articles.. . . .	93,231	74,976	57,583	31,260
Flower holders and similar articles.. . . .	21,049	22,279	12,287	14,058

MACHINERY, INSTRUMENTS, APPARATUS, AND VEHICLES

The total Cuban imports in the above group were valued at \$12,507,620. Of this amount, \$11,306,156 worth was supplied by the United States, Germany being second in importance with \$573,783. The main German items with their values were as follows:—

	Total imports		German share	
	Kilos	\$	Kilos	\$
Pianos.. . . .	69*	16,007	16*	3,767
Accessories for wind and stringed instruments.. . . .	7,677	15,589	1,838	2,999
Watches, clocks and chronometers.. . . .	111,591*	140,996	44,444*	39,384
Scientific apparatus.. . . .	25,620	75,781	16,891	39,936
Platform scales, balances and parts thereof.. . . .	19,548	53,319	3,480	5,289
Sugar mill and distillery machinery.. . . .	548,639	240,054	5,265	4,929
Industrial machinery in general.. . . .	3,436,696	1,769,968	202,286	156,410
Motors of all kinds.. . . .	3,358	375,864	186	101,303
Windmills and accessories.. . . .	359,737	330,956	17,803	23,004
Hand pumps.. . . .	70,415	31,147	23,699	8,957
Steam pumps.. . . .	27,142	19,929	7,319	5,300
Locomotive accessories.. . . .	318,540	91,562	86,069	8,425
Typewriters.. . . .	3,111	151,802	149	6,281
Other office machines, excluding adding and calculating machines.. . . .	44,586	89,282	4,518	8,090
Electric machines and accessories n.e.e.. . . .	1,400,908	1,124,205	34,966	29,890
Sewing machines and accessories n.e.e.. . . .	129,470	264,538	5,922	13,164
Other machinery and apparatus not for industrial use n.e.e.. . . .	1,299,029	629,483	69,477	50,521
Truck chassis.. . . .	979*	659,535	2*	2,825
Automobile parts and accessories n.e.e.. . . .	812,370	457,750	4,852	3,944
Motorcycles.. . . .	29*	6,027	11*	1,028
Motorcycle accessories.. . . .	621	2,167	373	342
Velocipedes and bicycles.. . . .	15,181*	55,628	2,253*	20,612
Velocipede and bicycle accessories.. . . .	122,925	62,942	53,216	30,493

* Number.

The possibilities for increased business in the above items are not particularly promising. Success will depend almost wholly on the Canadian producers' ability to compete with United States manufacturers. Canada does not at present get any worthwhile business in this group except in sewing machine accessories, and even this item is the result of an inter-factory supply arrangement of an American company.

TEXTILES AND TEXTILE PRODUCTS

For convenience the four textile groups are grouped together as follows:—

	Total imports		German share	
	Kilos	\$	Kilos	\$
Cotton and manufactures thereof—				
Raw cotton for mattresses.. . . .	1,713,730	194,352	84,427	19,042
Thread and yarn.. . . .	2,016,272	1,541,766	663,626	185,408
Plain, smooth and printed fabrics and other articles of cotton.. . . .	8,216,065	7,767,565	71,679	221,269
Manufactures of vegetable fibres including rayon—				
Raw, thread and yarn of hemp, sisal and hard and soft fibres.. . . .	1,176,650	183,450	19,585	4,136
Rayon thread.. . . .	448,115	556,671	1,227	1,410
Burlap.. . . .	393,680	65,160	18,238	3,405
Twine.. . . .	180,580	68,829	31,166	14,170
Fabrics plain and printed, including tapestries, ribbons and cords.. . . .	1,989,626	4,447,583	59,379	171,678

Imports of Textiles and Textile Products—Concluded

	Total imports		German share	
	Kilos	\$	Kilos	\$
Wool, bristle, hair and manufactures thereof—				
Paint, hair and clothes brushes.	36,743	53,559	7,959	8,410
Other types including tooth brushes.	16,287	55,458	895	1,354
Spun wool and yarns, or worsted.	46,861	25,919	8,175	7,325
Fabrics of pure or mixed wool not made up.	545,713	1,235,223	2,305	4,281
Wearing apparel and knit articles in general.	33,739	116,089	641	3,393
Pure silk—				
Pure and mixed silk in the piece.	15,320	80,604	136	1,175

In 1938 the total imports into Cuba of cotton and cotton products were valued at \$10,043,025, of which the United States is credited with \$7,500,756, the United Kingdom with \$1,519,815, and Germany with \$425,872. The German share was mainly threads and yarns and cotton piece-goods. Canadian industry is not usually competitive in these items except in preferred markets, and consequently the cotton group does not hold out any promise of increased trade.

Besides rayon the vegetable fibres group includes hemp, sisal, manila, jute, pita, and flax or linen. The total Cuban imports were valued at \$7,440,645, of which the United States supplied to a value of \$3,901,291, the United Kingdom \$803,524, British India \$1,787,444, and Germany \$116,805. For the same reason sales prospects for Canada in this group are negligible.

In the wool, hair, and bristles group the total imports were valued at \$1,559,522. This was divided chiefly as follows: United Kingdom, \$803,524; United States, \$417,975; and Germany, \$31,836.

There are sales prospects for paint brushes if prices are low enough.

The total imports in the pure silk group reached a value of only \$482,318. Of this the negligible amount of \$3,347 was supplied by Germany. There is little likelihood of Canadian firms benefiting from this group.

PAPER AND PAPER MANUFACTURES

Under this heading the total Cuban imports reached a value of \$4,735,290, supplied as follows: United States, \$3,182,936; Canada (excluding re-exports from the United States), \$116,522; and Germany, \$193,209. The principal German sales were as follows:—

	Total imports		German share	
	Kilos	\$	Kilos	\$
Manila paper weighing less than 10 grms. per square metre.	793,754	1,169,238	241,065	37,055
Newsprint and paper for illustrated sections.	18,681,213	1,142,926	280,338	16,577
Paper for books and lithographic work.	2,136,190	275,387	14,297	1,708
Cigarette paper.	314,144	126,839	7,827	3,690
Paper napkins.	2,728	1,565	1,340	720
Serpentines and confetti.	28,669	5,746	26,018	4,397
Envelopes.	32,006	17,286	2,947	2,960
Filter paper.	29,457	12,783	6,492	2,841
Abrasive paper.	57,896	17,312	13,210	2,801
Drawing paper.	10,696	5,675	3,800	1,810
Other manufactures of plain paper.	73,161	43,004	1,090	1,024
Artists' and chrome paper, used for printing or lithography.	1,538,408	244,529	52,843	12,195
Impregnated paper, including reinforced tar paper for baling.	153,590	35,496	35,776	7,197
Carbon paper.	31,664	31,658	5,837	3,062
Photographic paper.	63,296	67,605	11,917	11,366
Gilded, silvered and nickel-coated paper.	34,283	16,690	4,668	3,467
Other chemical papers n.e.e.	34,496	23,041	12,553	12,248
Books of all kinds and sheet music.	335,337	152,077	11,595	9,630
Calendars in pads.	230,154	19,315	214,454	12,803
Letterheads, invoice forms, cheques, etc.	41,679	23,851	1,107	1,414
Engravings, photographs, lithographs, etc.	111,741	118,953	6,854	15,113
Cardboard.	4,423,762	387,063	158,861	14,573
Assembled cardboard boxes.	5,147	3,340	2,512	1,825
Playing cards.	11,740	14,666	3,898	4,230

This group presents Canadian exporters with much the best opportunity to increase their sales to Cuba, not so much at the expense of Germany as of

the Scandinavian countries which, because of war conditions, may not be able, through lack of shipping space, to deliver to Cuba. So far they have experienced little difficulty in this regard, but the general opinion of Cuban importers is that the situation is bound to develop adversely in the near future. Consequently there is a strong tendency to confine their orders to the United States and Canada. Imports in the paper group from all European countries, excluding shipments from Germany, the United Kingdom, France, and Spain, totalled \$1,028,740 in value. The diversion of a sizable portion of this figure to Canada would appreciably increase her share of this market. Larger newsprint sales and the introduction of wood-pulp could be the main factors in such an increase.

FOOD PRODUCTS AND BEVERAGES

The total Cuban imports under this heading were valued at \$29,703,565, which is the largest in value of all the commodity groups. Of this amount the United States' share was \$20,284,363, Spain's \$1,378,956, and Canada's \$516,628. Germany's share at \$39,902 was negligible. The main German items follow:—

	Total imports		German share	
	Kilos	\$	Kilos	\$
Millet.....	637,066	31,343	177,784	10,540
Paprika.....	128,969	43,723	35,389	11,433
Alcoholic beverages, n.e.e.....	32,356	38,620	602	2,036
White table wine in bottles.....	25,365*	15,872*	2,732	3,590
Bottled beer.....	155,395*	54,707*	15,330	3,846
Yeast.....	3,881	2,543	1,120	670

* Litres.

In this group there is also an excellent opportunity to increase Canada's trade. However, as in the paper group, it is not due to displacement of German trade but rather to the fact that Norway and Sweden, due to war conditions, may not be able to obtain shipping space for their exports of dried fish. Should this occur, it will be but a repetition of what took place during the last war. Some increase can also be looked for in the sales of malt barley due to the stoppage of all shipments from Czecho-Slovakia.

ANIMALS AND ANIMAL PRODUCTS

The total Cuban imports in this group reached a value of \$2,113,011, of which Germany's share was only \$40,470. The main items were as follows:—

	Total imports		German share	
	Kilos	\$	Kilos	\$
Tanned hides.....	240,351	677,644	7,155	33,712
Other manufactures of leather pertaining to saddlery, harness and shoe trade.....	13,028	48,567	617	3,165

In this class of goods there appears to be little prospect of increasing Canada's trade at Germany's expense.

WOOD AND OTHER VEGETABLE SUBSTANCES

Out of a total value of \$2,653,928 imported by Cuba under this heading, the United States' share was \$2,352,866. Germany shipped a value of only \$30,604. The main items were as follows:—

	Total imports		German share	
	Kilos	\$	Kilos	\$
Ordinary furniture without trimmings.....	30,382	13,842	3,948	1,634
Strips of ordinary wood, varnished, coated or gilded	28,503	12,431	3,993	1,562
Utensils and articles in general, plain, carved and painted.....	195,278	123,763	29,450	7,049
Fibres, cut and dyed.....	107,961	58,470	17,900	12,946
Brooms and brushes.....	4,665	4,923	830	2,415

Although the displacement of German trade would be of little benefit to Canada, there is the same opportunity as has previously been mentioned of obtaining a share of the market enjoyed by the Scandinavian countries. This

trade is small, but Canadian spruce suitable for box-making might be substituted for Baltic spruce or pine.

MISCELLANEOUS

Out of total Cuban imports in this class valued at \$3,917,904, the United States is credited with \$3,277,772 and Germany with \$116,013. The chief German items were as follows:—

	Total imports		German share	
	Kilos	\$	Kilos	\$
Ornaments and knick-knacks of all kinds of material n.e.e.	12,413	94,146	715	11,393
Horn, whalebone, bone and celluloid, unmanufactured	17,126	19,227	7,263	4,908
Horn, in buttons.	14,188	53,892	541	2,612
Horn, in other manufactured forms.	6,998	70,043	684	3,895
Fountain pens	4,901*	12,846	622*	1,610
Other articles of horn, bone, etc., n.e.e.	44,925	133,827	3,063	11,983
Canes and sticks for umbrellas.	17,499	9,151	6,748	3,517
Plain and fancy boxes.	9,509	18,969	1,025	2,849
Empty cartridges for hunting arms and percussion caps.	38,211	34,082	5,753	4,261
Loaded cartridges for hunting arms and percussion caps.	25,651	26,466	1,552	1,914
Loaded cartridges for other arms.	16,800	19,053	1,608	1,525
Rubber hose.	15,611	10,814	12,123	6,458
Rubber accessories for machinery.	5,088	7,865	1,265	1,161
Miscellaneous articles of rubber n.e.e.	143,056	193,671	22,603	37,141
Rubber belting.	46,894	45,519	1,439	1,389
Artificial flowers.	3,274	29,001	552	7,353
Games, toys and similar articles.	1,065,528	327,462	166,475	71,310
Automobile tires and inner tubes.	2,530,021	1,000,727	7,700	5,853
Moving pictures.	15,857	134,649	228	2,942
Photograph film.	19,149	103,975	291	2,444
Glass photograph plates.	7,054	3,999	1,209	1,151
Crowns for hats	6,028*	16,526	434*	1,724
Unclassified articles.	182,680	166,614	6,421	2,915

* Number.

There is little opportunity under present tariff conditions of increasing Canadian trade in items of this class, although some products of minor interest, such as toys and artificial flowers, might meet with a better reception in this market with the removal of German competition.

GERMANY'S POSITION IN THE TRADE OF PANAMA

H. W. BRIGHTON, CANADIAN TRADE COMMISSIONER

Panama City, January 30, 1940.—Total imports into the Republic of Panama in 1938 were valued at \$17,651,454, of which amount Germany was credited with \$1,100,827 or 6 per cent.

Products imported from Germany to a value in excess of \$1,000 in 1938 were as follows:—

	U.S. Dollars		U.S. Dollars
Malt (brewer's)	194,690	Woollen thread and yarns.	2,019
Hops.	19,143	Cotton sewing thread on spools.	1,250
Face powder, rice.	1,093	Woollen cloth.	1,260
Concentrated essences and extracts for liquors, wines, etc.	3,895	Natural and artificial silk fabrics.	8,437
Chemical products not specified.	5,005	Natural and artificial silk handbags, purses with other materials or not.	1,074
Ampules for hypodermic injections.	8,536	Natural and artificial silk ties.	1,998
Liquid medicinal preparations for specific uses.	2,348	Natural and artificial other articles of silk.	3,385
Quinine.	3,510	Cotton fabrics.	1,965
Other preparations for specific uses.	4,962	Silk hosiery.	1,735
Other pharmaceutical preparations not specified.	8,077	Hand bags and purses adorned with beads.	7,882
Leather (not sole leather nor harness).	20,506	Rubber and composition shoes and sandals.	2,810
Shoes, leather or otherwise.	3,174	Wooden shoe heels.	3,730
Trunks, valises and bags of leather.	1,536	Wooden mouldings.	2,634
Handbags, valises, purses and small cases.	4,647	Other wooden articles.	2,524

U.S. Dollars

U.S. Dollars

Bags, valises and trunks of rattan, wicker, osier, etc.	1,615
Wrapping paper	2,780
Letter paper, envelopes, etc.	1,265
Paper confetti	1,729
Booklets, note books, etc.	1,126
Almanacs and calendars	3,069
Pictures and postcards	2,879
Tiles, vitrified	7,569
Porcelain pottery	2,579
Chinaware	8,322
Plain glass for window panes	2,260
Crystal and glass domestic articles	6,559
Crystal and glass adornments	5,825
Beads, wrist and neck bands, etc.	4,208
Glass pottery	2,480
Glass bottles	1,219
Other articles of blown glass	1,292
Chicken and fence wire	1,467
Staples, hasps, hooks and hinges, etc.	2,611
Tin articles, painted, varnished or not	1,316
Galvanized barb wire	6,994
Galvanized iron sheets, corrugated or not	42,786
Fish hooks, harpoons, etc.	1,077
Gas and alcohol stoves	1,147
Padlocks	3,144
Locks	1,454
Nails, tacks, washers, staples and nuts, galvanized, tinned	20,219
Pocket knives	4,240
Cutlery	7,183
Kerosene stoves	3,766
Razor blades	1,875
Other razors	2,151
Structural steel, beams, posts, perforated with nuts	15,606
Domestic enamelware	16,039
Iron domestic and kitchen utensils	1,966

Enamelware for domestic uses, decorated	1,367
Flat irons	1,134
Galvanized and enamelled table plates, tins, cups and spoons	4,330
Scissors	4,294
Silver tableware and jewellery	6,436
Gold jewellery and articles	2,728
Gold- and silver-plated articles	12,044
Galvanized bolts and nuts	2,876
Cast iron piping	99,742
Other iron manufactures	4,810
Aluminium kitchenware	2,885
Other aluminium manufactures	1,256
Copper wire netting	11,275
Copper alloys, smoker's articles	2,237
Silver-plated tableware	3,266
Electric current switches	2,245
Insulated copper wire and cables	2,555
Other electrical articles	11,049
Electrical apparatus not specified	7,465
Dynamos	2,288
Electric lamps, table and ceiling	2,178
Electrical machinery not specified	6,435
Electric motors	4,944
Replacements and parts for boilers, pumps, motors, etc.	5,452
Sewing machines	2,733
Machetes	12,833
Steel files	1,200
Mouth organs	2,622
Watches and clocks of all kinds	24,167
Wax, stearine or other grease matches	2,136
Photographic cameras	2,762
Statuary for cult and churches	1,074
Toys	6,577
Brushes, hair and heavy fibres	1,743
Pipes for tobacco smoking	5,047

TRADE OF THE PHILIPPINE ISLANDS IN 1938

P. V. McLANE, CANADIAN TRADE COMMISSIONER

(One Philippine peso at par is equal to 50 cents U.S. currency.)

Hongkong, January 4, 1940.—The total trade of the Philippine Islands during 1938 was recorded at 496,805,649 pesos as against 520,583,990 pesos in 1937, a decrease of 23,778,341 pesos or 4·6 per cent.

Imports were valued at 265,215,095 pesos as against 218,051,490 pesos for the previous year; the value of exports amounted to 231,590,554 pesos as against 302,532,500 pesos, an increase for imports of 47,163,605 pesos, or 21·6 per cent, and a decrease for exports of 70,941,946 pesos, or 23·5 per cent.

The following table, giving values of imports by principal contributing countries for the years 1938 and 1937, shows that the increase in imports during the year under review is attributable solely to the increased participation of the United States:—

Imports Into the Philippine Islands by Countries

	1938	1937		1938	1937
	Thousands of Pesos			Thousands of Pesos	
United States	181,554	127,312	France	2,104	1,686
Japan	25,414	32,204	Belgium	2,543	2,866
Great Britain	5,432	5,221	Canada	2,936	3,324
Germany	8,309	8,288	Hongkong	1,666	2,201
Netherlands	5,833	4,406	Denmark	103	62
China	6,147	6,623	Switzerland	1,863	1,144
Dutch East Indies	5,842	4,536	Sweden	1,035	901
British East Indies	4,688	4,826	French East Indies	973	2,711
Australia	4,699	5,042	Italy	456	268

The United States was mainly responsible for the decrease in exports during the year 1938, as shown by the following table, which gives values of exports by principal consuming countries during the years 1938 and 1937:—

Exports From the Philippine Islands by Countries

	1938	1937		1938	1937
	Thousands of Pesos			Thousands of Pesos	
United States.. . . .	180,889	243,336	France	3,184	1,589
Japan.. . . .	15,026	20,029	Belgium.. . . .	1,163	1,921
Great Britain.. . . .	6,017	12,466	Canada.. . . .	586	1,122
Germany	2,988	3,622	Hongkong	1,842	2,066
Netherlands.	5,082	2,137	Denmark	3,096	1,289
China.. . . .	1,904	1,933	Switzerland	19	17
Dutch East Indies	990	892	Sweden.. . . .	697	893
British East Indies	1,356	1,395	French East Indies	113	95
Australia	927	1,048	Italy.. . . .	427	1,927

BALANCE OF TRADE

For the first time since 1921, an unfavourable balance of trade was recorded for the Philippines during the year under review. This amounted to 33,624,541 pesos, and from a comparison of the share of the trade of the Philippine Islands enjoyed by the United States in the respective years 1938 and 1937, it will be readily apparent that the unfavourable balance is the result of an increase in the imports from that country and a considerable decrease in its consumption of Philippine exports. This is also evidenced by the fact that for the year 1937 the Philippine Islands enjoyed a favourable trade balance with the United States to the extent of 114,881,341 pesos, whereas for the year 1938 an unfavourable balance of 1,824,468 pesos was recorded.

However, offsetting the excess of imports over exports is the value of gold and silver ore and bullion. This item is not included in the foregoing export figures, although it would seem that in making a survey of the trade of the Philippines it may be considered as a bona fide export so far as materials for use in the mining industry contribute to an appreciable degree to the import trade of the Islands. During the year 1938 exports of gold and silver ore and bullion were valued at 60,875,883 pesos as against 27,365,429 pesos during 1937.

DISTRIBUTION OF TRADE

The United States has always held the most important position in the trade of the Philippine Islands, and during 1938 was credited with 68·1 per cent of the total imports and 77·2 per cent of the total exports as compared with 58·1 per cent and 79·8 per cent respectively for 1937.

Japan was the second most important participant with 9·58 per cent of imports and 6·49 per cent of exports as against 14·8 per cent and 6·6 per cent respectively for the previous year.

The following countries were next in importance, the respective percentages for imports and exports for the year 1937 being given within parentheses:—Great Britain, 2 per cent and 2·6 per cent (2·4 and 4·1); Germany, 3·1 per cent and 1·3 per cent (3·8 and 1·2); Netherlands, 2·2 per cent and 2·2 per cent (2 and 0·7); China, 2·3 per cent and 0·8 per cent (3 and 0·6); Dutch East Indies, 2·2 per cent and 0·4 per cent (2·1 and 0·3); British East Indies, 1·8 per cent and 0·6 per cent (2·2 and 0·5); Australia, 1·8 per cent and 0·4 per cent (2·3 and 0·4); and France, 0·8 per cent and 1·4 per cent (0·8 and 0·5).

PRINCIPAL IMPORTS AND EXPORTS

The ten principal commodities imported into the Philippine Islands during 1938 are shown in the following table, with the percentages of total import values accounted for by each and percentage increases as compared with 1937 figures:—

	Thousands of Pesos	Per Cent of Total Imports	Increase Per Cent
Iron and steel manufactures.. . . .	45,792	17	18
Cotton goods	43,812	17	26
Mineral oils	16,418	6	26
Automobile parts and tires	16,238	6	36
Tobacco products	15,866	6	116
Meat and dairy products	11,979	5	19
Paper and manufactures	10,378	4	36
Wheat flour	10,263	4	25
Chemicals and drugs	8,881	3	56
Electrical machinery	7,607	3	11

The following were the ten principal exports of the Philippine Islands during 1938, with the percentages of total export values accounted for by each and the percentage increases or decreases as compared with the 1937 figures:—

	Thousands of Pesos	Per Cent of Total Exports	Inc. or Dec. Per Cent
Sugar	100,044	43	— 13
Copra	24,512	11	— 23
Coconut oil	21,532	9	— 48
Abaca	20,318	9	— 53
Embroideries	10,215	4	+ 38
Tobacco products	9,929	4	.....
Desiccated coconut	7,632	3	— 40
Lumber	5,650	2	— 28
Copra meal and cake	5,495	2	— 5
Cordage	2,398	1	— 17

TRADE WITH CANADA

Canada's total trade with the Philippine Islands during 1938 was valued at 3,522,769 pesos, of which 2,936,529 pesos represented imports from the Dominion, and 586,240 pesos exports thereto. Comparative figures for 1937 were 3,324,320 pesos for imports and 1,122,132 pesos for exports.

Following are the values and percentages of Canada's participation in the trade of the Philippines for the years 1930 to 1938 inclusive:—

	Imports		Exports	
	Pesos	Per Cent	Pesos	Per Cent
1930	360,607	0.15	507,719	0.19
1931	440,068	0.22	317,548	0.15
1932	651,922	0.41	228,572	0.12
1933	657,954	0.49	456,334	0.21
1934	1,269,921	0.74	553,905	0.25
1935	1,781,454	1.04	534,107	0.28
1936	2,402,771	1.19	1,286,785	0.47
1937	3,324,320	1.52	1,122,132	0.37
1938	2,936,529	1.11	586,240	0.25

The principal imports into the Philippines from Canada in 1938 were as follows, with values in pesos, and those for 1937 shown within parentheses:—

Wheat flour, 1,429,604 (1,621,453); cyanide, 573,220 (427,255); newsprint, 377,883 (345,669); canned salmon, 116,369 (56,430); sulphate of ammonia, 92,598 (324,945); phosphate of ammonia, 68,596 (nil); copper wire, 51,045 (12,349); automobile tires, casings, 40,954 (2,753); rye, 38,706 (5,208); lead, 17,553 (12,538); metal and metal compositions, 17,056 (nil); iron and steel manufactures, 13,079 (27,392); machinery and machines, 12,938 (25,131); telephones and accessories, 6,852 (1,750); belting, 5,290 (4,761); motor accessories, 4,455 (4,694); asbestos manufactures, 3,601 (nil); wrapping paper, 3,450 (17,107); automobile tires, tubes, 3,352 (nil); tank and barrel staves, 2,953 (nil); meat products, 2,263 (5,093); dairy products, 1,773 (nil); paper, suitable for books, 1,565 (nil); Bourbon whisky, 1,551 (nil); manufactures of fire bricks, 1,458 (nil); oatmeal, 1,108 (nil); cotton manufactures, 1,002 (1,286).

Principal exports of Philippine products to Canada during 1938 with values in pesos, and those for 1937 shown within parentheses, were:—

Abaca, 218,714 (835,769); cordage, 3,276 (8,244); copra, 4,450 (1,205); coconut oil, 214,110 (124,483); cigars, 130 (31,852); lumber, 11,264 (14,275); and wicker furniture, 4,815 (6,102).

FOREIGN TRADE OF IRAQ IN 1938

HENRI TURCOT, CANADIAN TRADE COMMISSIONER

[One Iraqi dinar (I.D.) is equal to £1 sterling]

Cairo, December 30, 1939.—Official figures of Iraq's external trade in 1938 and 1937 are as follows:—

	1938 I.D.	1937 I.D.	Difference I.D.
Imports	9,361,004	9,565,970	— 204,966
Exports (not including crude oil) . . .	3,688,835	5,568,734	— 1,879,899
Balance of trade	— 5,672,169	— 3,997,236	— 1,674,933

PRINCIPAL IMPORTS AND EXPORTS

The values of principal commodities imported into Iraq in 1938, with values for 1937 shown within parentheses, were as follows:—

Cotton piece-goods, I.D.833,000 (1,069,000); artificial silk piece-goods, I.D.420,000 (529,000); silk piece-goods, I.D.35,000 (45,000); woollen piece-goods, I.D.240,000 (289,000); clothing, I.D.349,000 (374,000); iron, cast iron and steel, I.D.1,058,000 (1,240,000); automobiles and parts, I.D.398,000 (469,000); boilers, machinery, I.D.996,000 (613,000); electrical machinery, I.D.242,000 (190,000); cement, I.D.184,000 (175,000); timber, I.D.337,000 (328,000); wooden receptacles for packing dates, I.D.66,000 (74,000); sugar, I.D.505,000 (440,000); tea, I.D.347,000 (351,000); soap, I.D.102,000 (96,000); motor spirit, I.D.91,000 (84,000); fuel oil, I.D.76,000 (78,000).

The values of principal commodities exported from Iraq in 1938, with values for 1937 within parentheses, were:—

Grain, pulses and flour, I.D.1,158,000 (2,101,000); wool, I.D.438,000 (1,010,000); hides and skins, I.D.185,000 (381,000); cotton, I.D.218,000 (207,000); dates, I.D.857,000 (974,000); casings, I.D.112,000 (144,000); liquorice root, I.D.18,000 (23,000); animals, I.D.185,000 (300,000); seeds, I.D.83,000 (55,000); ghee, I.D.10,000 (30,000); fish, I.D.24,000 (9,000); eggs, I.D.3,000 (6,000).

SOURCES OF SUPPLY

The United Kingdom, Belgium, and Germany were the chief suppliers of iron, cast iron, and steel, other contributors being the United States, Italy, Japan, France, Egypt, British India, Sweden. Cotton piece-goods came principally from Japan, other leading supplying countries being British India, the United Kingdom, Italy, Germany, and Belgium. Timber was imported mostly from Roumania and Soviet Russia; purchases of motor vehicles originated for the greater part in the United States; and clothing was received from the United Kingdom, Japan, the United States, etc.

DESTINATION OF EXPORTS

Grain, pulses, and flour were shipped mainly to the United Kingdom, Belgium, Japan, Syria, Germany, and France, while the larger part of shipments of live animals went to Palestine and Transjordan. The most important purchaser of dates was British India, followed by the United States, the United Kingdom, Egypt, Algeria, and Belgium. The bulk of raw wool exported was disposed of in the United States; Japan took the bulk of exports of raw cotton; casings went chiefly to the United States; the principal destinations of exports of hides and skins were the United Kingdom, Syria, and Germany; eggs were purchased by Syria, Palestine, and Transjordan; and liquorice roots were for the larger part sold in the United States.

TRADE WITH CANADA

According to figures of the Dominion Bureau of Statistics, imports from Iraq into Canada in the fiscal years ended March 31, 1939 and 1938, were valued at \$312,635 and \$291,304 respectively, and exports from Canada to Iraq at \$29,386 and \$36,704.

The chief Canadian imports from Iraq in the fiscal year 1939 were: dates, \$312,065 (\$290,212 in 1938); other dried fruits, \$442 (\$705). Principal Canadian exports to Iraq were: pneumatic tire casings, \$3,886 (\$13,396); inner tubes, \$559 (\$3,987); cereal food, \$407 (\$213); canned herrings, \$3,160 (\$2,678); canned salmon, \$400 (\$509); sardines, \$898 (\$677); upper leather, \$1,415 (\$1,795); evaporated milk, \$2,100 (\$3,300); timber, \$1,143 (\$325); paper and manufactures of paper, \$541 (\$2,196); ploughs and parts, nil (\$361); electrical apparatus, \$5,339 (\$1,252).

FOREIGN TRADE OF THE LEVANT STATES UNDER FRENCH MANDATE IN 1938

HENRI TURCOT, CANADIAN TRADE COMMISSIONER

[One Syrian pound (£S.) is approximately equal to 50 cents Canadian]

Cairo, December 30, 1939.—The official figures of the foreign trade of the Levant States under French Mandate (Syria, the Lebanon, Latakia, and the Jebel Druse) showed in 1938 a distinct increase as compared with 1937, even after allowing for the further depreciation in currency and the resulting rise in prices.

Special imports stood at £S.70,800,000 as against £S.53,600,000 in 1937, while special exports reached £S.29,280,000 as compared with £S.25,700,000. The tonnage of imports declined 5.9 per cent from the previous year, but that of exports increased 32.2 per cent.

As regards general imports and exports both tonnage and value showed a marked rise, particularly value. General imports amounted in value to £S.107,470,000 in 1938 as against £S.69,180,000 in 1937. General exports were valued at £S.66,700,000 in 1938 as compared with £S.42,000,000 in the previous year.

In 1938 Great Britain wrested first place from France as a supplier of imports into the Levant States under French Mandate, after ranking third in 1937 and 1936. France dropped to second place, and Japan from second to third place. The United States ranked fourth, after occupying sixth place during the previous two years. Roumania maintained her fifth position, while Germany moved up to sixth place from ninth in 1937.

Palestine continued to be the best customer of the Levant States under French Mandate, taking 27.5 per cent of all exports in 1938 as compared with 31 per cent in 1937. France was in the second position after occupying third during 1937. Italy came third, and Great Britain ranked fourth as against fifth place in 1937.

TRADE WITH CANADA

According to the Dominion Bureau of Statistics, the value of exports to Syria (including other Mandated States) totalled \$66,656 and \$80,477 respectively in the fiscal years ended March 31, 1939 and 1938, and imports into the Dominion from the Levant States were valued at \$7,878 and \$12,574. Canada's chief export to the Levant States is tires and inner tubes, sales of these amounting to \$25,788 and \$48,490. Upper leather at \$9,405 and \$9,586 was the next largest export item. Other Canadian articles shipped to Syria included belting of rubber, canvas shoes with rubber soles, hose of rubber, fox skins (black), silk socks and stockings, artificial silk manufactures, ploughs and parts, electric batteries, asbestos manufactures, and medicinal preparations. Imports from Syria into the Dominion included dried fruits, fruit pulp, nuts, onions, biscuits, olive oil, sugar candy, aromatic seeds, tobacco, cheese, linen handkerchiefs, silk manufactures, furniture, jewellery, and fancy boxes.

TARIFF CHANGES AND TRADE REGULATIONS

Australia

CHANGES IN IMPORT CONTROL REGULATIONS

Mr. R. P. Bower, Assistant Trade Commissioner at Sydney, writes under date January 17, 1940, that two changes in the Australian Customs (Import Licensing) Regulations of interest to Canada have just been effected.

Firstly, it has been decided to issue licences in respect of newsprint paper on the following basis:—

- (a) Importations from the United Kingdom by individual importers may be included with those from "non-sterling" countries for the purpose of establishing "base period" importations. Importers will be required to furnish a separate "statement of import transactions" covering base year importations from the United Kingdom.
- (b) During the first licensing period, ending on January 31, 1940, licences may be issued for a value not exceeding one-sixth of the combined totals of "base year" importations from the United Kingdom and non-sterling countries.
- (c) The basis indicated in (b) will not be rigidly adhered to in instances where it does not reasonably meet requirements or conform with shipping or other arrangements.

Imports of newsprint in rolls during the twelve months ended June 30, 1939, amounted to 172,157 tons (£1,932,466 sterling), of which 141,856 tons (£1,559,906) originated in Canada. The United Kingdom accounted for the bulk of the remainder, with 28,729 tons (£365,171). Imports of newsprint in sheets (not less than 20 inches by 25 inches) for the same period amounted to 5,850 tons (£75,343). Canada with 3,205 tons (£41,248) was the largest supplier, followed by the United Kingdom with 1,769 tons (£25,472).

The war has created a demand for extra editions and special articles in the daily papers, so that newsprint consumption has been well maintained. At the same time the United Kingdom has found it difficult to maintain shipments, while Germany, Finland, Norway, and Sweden, which supplied 2,448 tons in the last fiscal year, have practically stopped deliveries. It is apparent therefore that, unless importers could switch their quotas from the United Kingdom to Canada, supplies to this market would fall about 33,000 tons short of the demand for the year.

The second change in the regulations deals with decisions to be observed in respect to the admission of goods on order. In future:—

1. The evidence of the acceptance and prompt despatch of an order by an agent in Australia authorized to accept orders on behalf of overseas suppliers will be recognized for the purpose of establishing that such order was placed and accepted.
2. If an order was mailed in ample time to be in the hands of the overseas supplier within the specified date and it is not the practice of the latter to forward acceptances, such order may be recognized.
3. If the notification of the acceptance of an order has been delayed in the mail, the evidence afforded by the buyers' records may be accepted.
4. Licences will be granted for goods on order prior to December 1, 1939, when in Categories "A," "B" and "C," in accordance with the foregoing decisions and conditionally that the goods will be imported not later than April 30, 1940.
5. The same decisions apply to Category "D" goods except that the order must have been "accepted" prior to November 1, 1939, the quantity must be normal, and the goods imported not later than March 31, 1940.

UNUSED IMPORT LICENCE QUOTAS NOT CARRIED FORWARD

With reference to the announcement appearing in *Commercial Intelligence Journal* No. 1879 (February 3, 1940), page 192, regarding the second two-months (February-March) Australian import licensing period, Mr. L. M. Cosgrave, Canadian Trade Commissioner in Sydney, cables that if an importer did not apply for his full quota during the first licensing period (December-January) he is not allowed to carry over the unused portions to the second or subsequent period.

The periods of validity of licences stated in Section 38 of the Regulations, as published in *Commercial Intelligence Journal* No. 1876 (January 13, 1940), page 73, are the periods during which goods for which licences have been issued must be imported. Goods from Canada must be imported within six months from the date of issue of the licence.

ADMISSION OF CATEGORY A, B, C GOODS ON ORDER DECEMBER 1

The Trade Commissioner has cabled that goods classified in licensing categories A, B, and C, that were on order on December 1, 1939, will be admitted if arriving up to June 30, 1940. It had been announced previously that April 30 was the last date on which such goods would be admitted.

New Zealand

IMPORT CONTROL REGULATIONS FOR SAMPLES

The Acting Collector of Customs at Auckland, New Zealand, advises that licences will be issued at the time of importation for *reasonable* quantities of *bona fide* samples imported with the object of soliciting orders in the event of the restrictions on imports being relaxed, notwithstanding that the goods are of a class the importation of which is at present wholly restricted. If required, remitting licences will be issued to enable payment to be made in the usual manner through a trading bank. Except under special authority licences will not be granted for the importation of frocks and other garments imported for use as models.

Straits Settlements

REGISTRATION OF TRADE MARKS

With reference to the announcement in *Commercial Intelligence Journal* No. 1856 (August 26, 1939), page 431, Mr. K. F. Noble, Assistant Trade Commissioner at Singapore, reports that with effect from January 1, 1940, proprietors of trade marks are free to make application for registration under the Straits Settlements Trade Marks Ordinance, irrespective of whether such trade mark is unregistered or unregistrable under the United Kingdom Trade Marks Ordinance.

The cost of such registration is in the neighbourhood of S\$55 (i.e. Canadian \$28), comprising \$10 application fee, \$20 search and advertising fee, and \$25 fee for legal expenses.

Canadian manufacturers interested in registration of their trade marks should write to the Department, mentioning file No. 24356, for the purpose of obtaining copy of the Trade Marks legislation, including necessary application forms.

Gibraltar

IMPORT LICENCES REQUIRED

Mr. A. B. Muddiman, Canadian Trade Commissioner at Milan, cabled on February 14 that import licences are required in Gibraltar for flour, cheese, canned milk, leather, and canned goods. The Trade Commissioner is forwarding further particulars which will be published in a later issue.

Denmark

NEW GRAIN LAW

Mr. Richard Grew, Canadian Trade Commissioner at Oslo, writes under date January 25, 1940, that a new grain law was passed by the Danish Parliament, effective from January 1, 1940, for a period of one year. This new law takes the place of the one that was in effect during 1938 and 1939, as reported in *Commercial Intelligence Journal* No. 1775 (February 5, 1938), page 183; and No. 1817 (November 26, 1938), page 946.

The new law does not differ essentially from the previous one except in one respect. The amendment to the old law provided for the mixture of a certain percentage of Danish wheat in the milling of flour in accordance with certain conditions. In the new law no mixture percentage is mentioned; it is provided, however, that, after deliberation with the Agricultural Council, the Minister of Agriculture and Fisheries may establish mixing percentages in certain fixed proportions if conditions warrant.

The new law retains the provision for a tax on imported grains, but slight changes have been made in the prices that have been fixed. In the new law the taxes will be such that the prices c.i.f. Danish ports, including taxes, will amount to the following, per 100 kilos: wheat and rye, 15 kroner; barley, 14.50 kroner; maize, oats and mixed grains, 14 kroner.

These prices are one krone per 100 kilos higher than those fixed in the previous law. During the year the above-mentioned prices are to be increased by 20 öre on January 1, 30 öre on February 1, 40 öre on March 1, 50 öre on April 1, 60 öre on May 1, 70 öre on June 1, and 80 öre on July 1. On September 1 the prices will revert to the original amounts and will subsequently be increased by 10 öre on November 1, and by 20 öre on December 1. These increases are somewhat greater than those provided in the old law.

No other changes of any importance have been made in the new law.

Panama

OFFICIAL HOLIDAYS

Mr. H. W. Brighton, Canadian Trade Commissioner in Panama, writes that Canadian exporters, to avoid the imposition on the importer of a fine of double the consular fee, should be careful that the completion of their consular invoices are not effected on an official Panama holiday. The following are regarded as official Panama holidays for 1940: January 1, New Year's Day; January 22, Panama Foundation Day; February 5, Carnival (afternoon); February 6, Carnival; February 15, Panama Constitution Day; March 22, Good Friday; March 23, Holy Saturday; May 1, Panama Labour Day; June 22, Bolivarian Day; July 4, United States Independence Day; July 15, Bastille Day (observed on July 15 as July 14 falls on Sunday); July 24, Simon Bolivar's Birthday; October 12, Columbus Day; November 2, Panama Memorial Day; November 4, Secession from Colombia (observed on November 4 as November 3 falls on Sunday); November 11, First Move towards Independence from Spain; November 28, Panama Independence from Spain; December 24, Christmas Eve (afternoon); December 25, Christmas Day.

Japan

EXPORT CONTROL OF DRUGS, CHEMICALS AND MEDICINES

Japanese Department of National Welfare Ordinance No. 39, promulgated December 7, 1939, provides that, except with the permission of the Minister of National Revenue, no drugs, chemicals, medicines and compounds or preparations thereof enumerated in the import tariff and specified by the present ordinance are permitted to be exported. The regulations do not apply to exports by government offices, for the use of ships, or when not for sale and of a value not exceeding 50 yen (\$13).

FOREIGN EXCHANGE QUOTATIONS: WEEK ENDING FEB. 19, 1940

The Foreign Exchange Division of the Bank of Canada has furnished the following statement of the nominal closing quotations for all the principal exchanges for the week ending Monday, February 19, 1940, and for the week ending Monday, February 12, 1940, with the official bank rate:—

Country	Unit	Present or Former Gold Parity	Nominal Quotations in Montreal Week ending Feb. 12	Nominal Quotations in Montreal Week ending Feb. 19	Official Bank Rate
Belgium	Belga	.1001	\$.1874	\$.1867	2
Bulgaria	Lev	.0072	.....	.....	6
Denmark	Krone	.2680	.2143	.2143	5½
Finland	Markka	.0252	.0192	.0189	4
France	Franc	.0392	.0249	.0248	2
Great Britain	Pound	4.8666			
	Buying		4.4300	4.4300	2
	Selling		4.4700	4.4700	—
Greece	Drachma	.0130	.0079	.0080	6
Holland	Guilder	.4020	.5897	.5894	3
Hungary	Pengo	.1749	.3227	.3227	4
	Unofficial		.1955	.1954	—
Italy	Lira	.0526	.0560	.0560	4½
Yugoslavia	Dinar	.0176	.0251	.0251	5
Norway	Krone	.2680	.2521	.2521	4½
Portugal	Escudo	.0442	.0403	.0402	4-4½
Roumania	Leu	.0060	.....	.....	3½
Spain	Peseta	.1930	.1104	.1104	5
Sweden	Krona	.2680	.2643	.2643	3
Switzerland	Franc	.1930	.2488	.2489	1½
United States	Dollar	1.0000			
	Buying		1.1000	1.1000	1
	Selling		1.1100	1.1100	—
Mexico	Peso	.4985	.1848	.1849	3
Cuba	Peso	1.0000	.....	.....	—
Guadeloupe	Franc	.0392	.0249	.0248	—
Jamaica	Pound	4.8666	4.4800	4.4800	—
Martinique	Franc	.0392	.0249	.0248	—
Other British West Indies	Dollar	1.0138	.9313	.9313	—
Argentina	Peso (Paper)	.4245	.3304	.3304	3½
	Free		.2597	.2581	—
Brazil	Milreis (Paper)	.1196	.0673	.0673	—
	Free		.0558	.0558	—
British Guiana	Dollar	1.0138	.9313	.9313	—
Chile	Peso	.1217	.0574	.0573	3-4½
	Export		.0444	.0444	—
Colombia	Peso	.9733	.6357	.6356	4
Peru	Sol	.2800	.....	.....	6
Venezuela	Bolivar	.1930	.....	.....	—
Uruguay	Peso	1.0342			
	Controlled		.7307	.7307	—
	Uncontrolled		.4107	.4207	—
South Africa	Pound	4.8666	4.4600	4.4600	3½
Egypt	Pound (100 Piastres)	4.9431	4.5800	4.5800	—
China (Shanghai)	Dollar	.....	.0783	.0761	—
Hongkong	Dollar	.....	.2733	.2720	—
India	Ruppee	.3650	.3359	.3227	3
Japan	Yen	.4985	.2602	.2602	3.20
Java	Guilder	.4020	.....	.....	—
Thailand (Siam)	Baht (Tical)	.4424	.4042	.4018	—
Straits Settlements	Dollar	.5678	.5166	.5146	—
Australia	Pound	4.8666	3.5800	3.5800	3
New Zealand	Pound	4.8666	3.5900	3.5900	4

The Dominion Bureau of Statistics has supplied the following note:—

Selling pressure against sterling moved the free rate at New York 1½ cent lower during the week ended February 19 to \$3.95½. In order to increase its reserves of foreign exchange, the British Treasury recently ordered British owners to turn over holdings of 60 selected United States stocks at current market prices. Quotations on the Canadian dollar at New York dropped to a mid-week low of 86½ cents, while the close at 86½ cents on February 19 was off ½ cent compared with the February 13 rate. At Montreal French francs eased 1 point to 2.49 cents while there were minor losses for the belga and florin. Argentine pesos (free rates) were weak, reacting 16 points to finish at 25.81 cents. Daily buying and selling rates set by the Canadian Foreign Exchange Control Board for sterling and United States funds remained at \$4.43-\$4.47 and \$1.10-\$1.11, respectively.

TRADE OPPORTUNITIES ABROAD FOR CANADIAN PRODUCTS

The Trade Inquiries for Canadian products published below have been received since the publication of the last issue of the *Commercial Intelligence Journal*. Interested exporters may secure the names and addresses of the firms making these inquiries, together with further details regarding the commodities required, on application to the Director, Commercial Intelligence Branch, Department of Trade and Commerce, Ottawa, or—

Secretary, Board of Trade—

Saint John, N.B.
Halifax, N.S.
Quebec, P.Q.
Montreal, P.Q.
Toronto, Ont.
Chatham, Ont.

Guelph, Ont.
Kitchener, Ont.
Brantford, Ont.
Stratford, Ont.
Woodstock, Ont.
St. Mary's, Ont.

Portage la Prairie, Man.
St. Boniface, Man.
Winnipeg, Man.
Vancouver, B.C.
New Westminster, B.C.

Secretary, Chamber of Commerce—

Sherbrooke, P.Q.
Kingston, Ont.
Oshawa, Ont.
Belleville, Ont.

Peterborough, Ont.
London, Ont.
St. Catharines, Ont.
Hamilton, Ont.

Victoria, B.C.
Prince Rupert, B.C.

Windsor Chamber of Commerce, Windsor, Ont.

Commercial Intelligence Service, Department of Municipal Affairs, Trade and Commerce, Quebec.

Department of Industry, Brantford, Ont.

Industrial Commissioner, Stratford, Ont.

La Chambre de Commerce de Montréal, 25 St. James E., Montreal, P.Q.

Secretary, Canadian Manufacturers Association—

Toronto, Ont.
Montreal, P.Q.

Winnipeg, Man.
Edmonton, Alta.

Vancouver, B.C.
Victoria, B.C.

Director, Bureau of Industrial and Trade Extension, Department of Trade and Industry, Victoria, B.C.

Canadian exporters should, for follow-up purposes, transmit a copy of any reply sent in response to a Trade Inquiry to the Trade Commissioner in the territory from which the inquiry emanated.

Commodity	No.	Location of Inquirer	Purchase or Agency
Foodstuffs—			
Salt (Edible).....	103	Kingston, Jamaica.....	Purchase and Agency.
Miscellaneous—			
Hosiery, Cotton and Lisle (Ladies').....	104	London, England.....	Purchase.
Gloves, Kid and Suede.....	105	Cape Town, South Africa..	Agency.
Clocks.....	106	Melbourne, Australia.....	Purchase and Agency.
Cigarette Lighters.....	107	Glasgow, Scotland.....	Agency.
Brass Curtain Rings.....	108	London, England.....	Purchase.
Small Bathroom Scales.....	109	Sydney, Australia.....	Agency.
Nuts, Bolts, Screw-bolts, Rivets.	110	Lima, Peru.....	Agency.
Oil Heaters.....	111	Melbourne, Australia.....	Purchase and Agency.
Hydraulic Ram.....	112	Bogota, Colombia.....	Purchase.
Steel Drums.....	113	London, England.....	Agency.

COMMERCIAL INTELLIGENCE SERVICE

L. D. WILGRESS, *Director*

Argentina

J. A. STRONG, B. Mitre 430, Buenos Aires (1). (Territory includes Uruguay.) *Cable address, Canadian.*

Australia

Sydney: L. M. COSGRAVE. Address for letters—P.O. Box No. 3952V. Office—City Mutual Life Building, Hunter and Bligh Streets. (Territory includes the Australian Capital Territory, New South Wales, Queensland, Northern Territory and Dependencies.) *Cable address, Canadian.*

Melbourne: FREDERICK PALMER, 83 William Street, Melbourne, C.I. (Territory includes States of Victoria, South Australia, Western Australia, and Tasmania.) *Cable address, Canadian.*

Belgium and Luxemburg

YVES LAMONTAGNE, Commercial Attaché, Shell Building, 60 rue Ravenstein, Brussels. *Cable address, Canadian.*

Brazil

L. S. GLASS. Address for letters—Caixa Postal 2164, Rio de Janeiro. Office—Ed. Da. "A. Noite," Sala 802, Praca Maua. *Cable address, Canadian.*

British India

PAUL SYKES. Address for letters—P.O. Box 2003, Calcutta. Office—23 Esplanade Mansions, Government Place East, Calcutta. (Territory includes Burma and Ceylon.) *Cable address, Canadian.*

British Malaya

J. L. MUTTER, Union Building, Singapore, Straits Settlements. (Territory includes the Straits Settlements, the Federated Malay States, the Unfederated Malay States, Thailand, British Borneo, and Netherlands India.) *Cable address, Canadian.*

British West Indies

Trinidad: M. B. PALMER. Address for letters—P.O. Box 125, Port of Spain. Office—Barclay's Bank Building. (Territory includes Barbados, Windward and Leeward Islands, and British Guiana.) *Cable address, Canadian.*

Jamaica: F. W. FRASER, P.O. Box 225, Kingston. Office—Canadian Bank of Commerce Chambers. (Territory includes the Bahamas and British Honduras.) *Cable address, Canadian.*

China

V. E. DUCLOS. Address for letters—P.O. Box 264, Shanghai. Office—Ewo Building, 27 The Bund, Shanghai. (Territory includes Central China and North China.) *Cable address, Canadian.*

Cuba

C. S. BISSETT. Address for letters—Apartado 1945, Havana. Office—Royal Bank of Canada Building, Calle Aguiar 367, Havana. (Territory includes Haiti, the Dominican Republic, and Puerto Rico.) *Cable address, Canadian.*

Egypt

HENRI TURCOT. Address for letters—P.O. Box 1770, Cairo. Office—22 Shari Kasr el Nil, Cairo. (Territory includes the Sudan, Palestine, Cyprus, Iraq, Syria, Iran, Greece, Turkey, Bulgaria, and Roumania.) *Cable address, Canadian.*

France

HERCULE BARRÉ, Commercial Attaché, 3 rue Scribe, Paris (9). (Territory includes French Colonies in North Africa.) *Cable address, Cancomac.*

Hongkong

P. V. McLANE. Address for letters—P.O. Box 80, Hongkong. Office—Hongkong and Shanghai Bank Building, Hongkong. (Territory includes South China, the Philippines, and Indo-China.) *Cable address, Canadian.*

Ireland

JAMES CORMACK, 66 Upper O'Connell Street, Dublin, Ireland (*cable address, Canadian*); and 36 Victoria Square, Belfast, Northern Ireland.

Italy

A. B. MUDDIMAN, Via Manzoni Nr. 5, Milan (102). (Territory includes Spain, Portugal, Gibraltar, Malta, Albania, and Yugoslavia.) *Cable address, Canadian.*

CANADIAN GOVERNMENT TRADE COMMISSIONERS—*Con.*

Japan

C. M. CROFT, Commercial Secretary. Address for letters—P.O. Box 18, Akasaka Post Office, Tokyo. Office—Canadian Legation, 16 Omotecho, 3-chome, Akasakaku, Tokyo. *Cable address, Canadian.*

Mexico

R. T. YOUNG. Address for letters—Apartado Num. 126-Bis, Mexico City. Office—Edificio Banco de Londres y Mexico, Num. 30, Mexico City. (Territory includes Guatemala, Honduras, and Salvador.) *Cable address, Canadian.*

Netherlands

J. A. LANGLEY, Commercial Attaché. Coolsingel 111b, Rotterdam. (Territory includes Switzerland.) *Cable address, Canadian.*

New Zealand

W. F. BULL. Address for letters—P.O. Box 33, Auckland. Office—Yorkshire House, Shortland Street, Auckland. (Territory includes Fiji and Western Samoa.) *Cable address, Canadian.*

Norway

RICHARD GREW, Stortingsgaten 28, Oslo. (Territory includes Sweden, Denmark, and Finland.) *Cable address, Canadian.*

Panama

H. W. BRIGHTON. Address for letters—P.O. Box 222, Panama City. Office—98 Central Avenue, Panama City. (Territory includes the Canal Zone, Venezuela, Colombia, Nicaragua, and Costa Rica.) *Cable address, Canadian.*

Peru

M. J. VECHSLER. Address for letters—Casilla 1212, Lima. Office—Edificio Boza, Carabaya 831, Plaza San Martin, Lima. (Territory includes Bolivia, Ecuador, and Chile.) *Cable address, Canadian.*

South Africa

Cape Town: J. C. MACGILLIVRAY. Address for letters—P.O. Box 683. Office—New South African Mutual Buildings, 17 Parliament Street. (Territory includes Cape Province and Southwest Africa, Natal, Tanganyika, Kenya, Uganda, Mauritius, and Madagascar.) *Cable address, Cantracom.*

Johannesburg: J. H. ENGLISH. Address for letters—P.O. Box 715. Office—Prudential Assurance Building, 92 Fox Street. (Territory includes Transvaal, Orange Free State, the Rhodesias, Portuguese East Africa, Mozambique, and Nyasaland.) *Cable address, Cantracom.*

United Kingdom

London: FREDERIC HUDD, Chief Trade Commissioner in the United Kingdom, Canada House, Trafalgar Square, S.W.1. *Cable address, Sleighing, London.*

London: H. A. SCOTT, Trade Commissioner, Canada House, Trafalgar Square, S.W.1. *Cable address, Sleighing, London.*

London: G. R. HEASMAN, Trade Commissioner, Canada House, Trafalgar Square, S.W.1. (Territory includes Home Counties, Southeastern Counties, and East Anglia; also British West Africa.) *Cable address, Sleighing, London.*

London: W. B. GORNALL, Fruit Trade Commissioner, Aldine House, Bedford Street, Strand, W.C.2. *Cable address, Canfrucum.* (Territory—for fresh fruit only—includes United Kingdom, Norway, Denmark, Sweden, France, Holland, and Belgium).

London: G. R. PATERSON, ANIMAL PRODUCTS TRADE COMMISSIONER, Canada House, Trafalgar Square, S.W.1. *Cable address, Agrilson.*

Liverpool: A. E. BRYAN, Martins Bank Building, Water Street. (Territory includes North of England, Lincolnshire, North Midlands, and North Wales.) *Cable address, Canadian.*

Bristol: E. L. MCCOLL, Northcliffe House, Colston Avenue. (Territory includes West of England, South Wales, and South Midlands.) *Cable address, Canadian.*

Glasgow: G. B. JOHNSON, 200 St. Vincent Street. (Territory covers Scotland.) *Cable address, Cantracom.*

United States

New York City: D. S. COLE, British Empire Building, Rockefeller Center. (Territory includes Bermuda.) *Cable address, Cantracom.*

Chicago: W. J. RIDDIFORD, Tribune Tower, 435 North Michigan Avenue. *Cable address, Canadian.*

Los Angeles: B. C. BUTLER, Associated Realty Building, 510 West Sixth Street. *Cable address, Canadian.*

Note.—Bentley's Second Phrase Code is used by Canadian Trade Commissioners.

or. Doc
Can
1

COMMERCIAL INTELLIGENCE JOURNAL

Vol. LXII

Ottawa, March 2, 1940

No. 1883



**British Columbia Red Cedar Shingle Bolts from which High Quality
Shingles are made**

ISSUED BY AUTHORITY OF
THE HON. W. D. EULER, MINISTER OF TRADE AND COMMERCE
JAMES G. PARMELEE, DEPUTY MINISTER



CONTENTS

	Page
Food Prices in the United Kingdom	327
Trade Commissioner in India to Move to Bombay.....	327
South African Lumber Requirements	328
Irish Alcohol Factories in 1939.....	331
Argentina's Trade with Canada	333
German Trade with Haiti	337
German Trade with the Dominican Republic	340
Foreign Trade of the Anglo-Egyptian Sudan in 1938.....	343
Peruvian Cotton Exports and Production in 1939.....	345
Imports into the United States of Products under the Quota Provisions of the Trade Agreement	346
Control of Exports from Canada.....	347
Tariff Changes and Trade Regulations	349
Exchange Conditions in Foreign Countries:	
Denmark	352
Finland	352
Norway	353
Sweden	353
Foreign Exchange Quotations	354
Trade Inquiries for Canadian Products	355
Condensed List of Publications	356
Commercial Intelligence Service	357

COMMERCIAL INTELLIGENCE JOURNAL

Issued Every Saturday by the Department of Trade and Commerce

PUBLISHED in English and French. Subscription Price for either edition: \$1 per annum in Canada (single copies 5 cents each); \$3.50 outside the Dominion (single copies 10 cents each). Remittances, which may be made by Post Office or Express Orders, or Drafts, or Cheques, payable at par in Ottawa, should be addressed to the King's Printer, Government Printing Bureau, Ottawa.

Vol. LXII

Ottawa, March 2, 1940

No. 1883

FOOD PRICES IN THE UNITED KINGDOM

FREDERIC HUDD, CHIEF CANADIAN TRADE COMMISSIONER IN THE UNITED KINGDOM

London, February 2, 1940.—The Chancellor of the Exchequer announced in the House of Commons yesterday measures already taken, and to be taken, by the Government to avoid inflation, the danger of which results largely through wages and salaries becoming tied to the cost of living. It was disclosed that in pursuance of a policy of controlling retail food prices by the use of public funds, the sum of £1,000,000 a week has been provided by the Treasury since December 1 last.

At the outbreak of war there was an immediate and inevitable rise in the cost of buying food abroad, resulting from a number of causes, including the devaluation of the pound, higher freights, and war risk insurance. This initial rise was gradually reflected in an increase in retail prices in this country. The cost of living index (in which food prices are the predominant factor), after standing at 155 at the beginning of September, rose by 18 points, or more than 10 per cent, to 173 at the end of November.

The position at the beginning of December was that further increases in food prices would have been found to be necessary if the working of the Food Control were not to involve a loss to the Exchequer. The Government then decided, after a careful examination of the economic situation and of the principles guiding their policy, that the Treasury should bear for the time being the loss involved in an endeavour to avoid these further increases. It was due to this action that the cost of food index was unchanged between December and January.

The policy of the Government will continue for a time at least to hold retail prices of staple foods, or at any rate to delay and check the abruptness of any rise—a policy which will benefit wage earners and persons with small incomes.

TRADE COMMISSIONER IN INDIA TO MOVE TO BOMBAY

The office of the Canadian Government Trade Commissioner in British India is shortly to be moved from Calcutta to Bombay, where it will be located in Gresham Assurance House, Mint Road. The change will become effective on April 1 next, on which day the new office in Bombay will be open for business. Owing to the length of time required for the delivery of mail from Canada to India, persons and firms in Canada having correspondence with the Canadian Trade Commissioner in India should now send any communications for him to P.O. Box 886, Bombay, which will be his new address for letters. His cable address will be *Canadian*.

SOUTH AFRICAN LUMBER REQUIREMENTS

J. C. MACGILLIVRAY, CANADIAN TRADE COMMISSIONER

Cape Town, January 12, 1940.—A recent issue of the “Official Journal of the Department of Commerce and Industries” contains a resumé of the timber requirements of the Union of South Africa. In view of the fact that lumber and lumber products constitute one of the principal imports from Canada into this country, a summary of this report is of interest to the Canadian trade.

The review deals first with the question of future consumption, and the conclusion is reached that it is difficult to make any definite prediction with respect to requirements in view of the fact that there are too many factors to be taken into consideration. These include the activities of various industries, the most important of which is building, connected with which are the activities of the state, provincial and municipal administrations, as well as those of industrial and private undertakings. In addition there is the mining industry, industrial development in general, and the demand for containers for the packing of agricultural products. The conclusion reached is that the demand for timber is extremely elastic, and will to a great extent depend upon supply and prices.

IMPORTS

The second main problem which has been considered in this review is that of supplies from abroad, to what extent they can be maintained, and how the supplying countries have been affected by wartime conditions. In this connection the average import figures for the four years 1935 to 1938, are quoted as follows:—

Annual Average Imports of Lumber into South Africa

CONIFEROUS TIMBER		
	Cu. Ft.	£
Deal (pitch pine)	1,913,000	263,000
Imported exclusively from the United States.		
Other coniferous timber	16,896,000	1,165,000
Imported from: Finland, 23 per cent; Sweden, 8 per cent; Russia, 22 per cent; Canada, 19 per cent; United States, 11 per cent; other countries, 7 per cent.		
Flooring and ceiling boards	4,013,000	382,000
Imported from: Finland, 50 per cent; Sweden, 20 per cent; Norway, 7 per cent; Russia, 6 per cent; Canada, 3 per cent; United States, 8 per cent; other countries, 6 per cent.		
Total coniferous timber (mostly only sawn but part also planed)	22,823,000	1,810,000
Imported from Finland, 33 per cent; Sweden, 9 per cent; Russia, 17 per cent; Canada, 15 per cent; United States, 18 per cent; other countries, 8 per cent.		
HARDWOODS AND OTHER MANUFACTURED TIMBER		
	Cu. Ft.	£
Jarrah and Karri	362,000	56,000
Imported exclusively from Australia.		
Oak	353,000	49,000
Imported from: United States, 49 per cent; Japan, 49 per cent; other countries, 2 per cent.		
Teak	1,130,000	308,000
Imported from: India (including Burma), 27 per cent; Siam, 58 per cent; Indo-China, 13 per cent; other countries, 2 per cent.		
Other timber for the manufacture of furniture	72,000	19,000
Imported from: United States, 80 per cent; Japan, 10 per cent; other countries, 10 per cent.		
Other unmanufactured timber	1,730,000	177,000
Imported from: Northern Rhodesia, 18 per cent; Southern Rhodesia, 9 per cent; Philippines, 21 per cent; Finland, 12 per cent; other countries, 40 per cent.		

In addition to the foregoing, there are also certain imports of manufactured lumber and lumber products. Averages for the years 1935 to 1938 covering the imports of a few of the main items coming under this heading are subjoined:—

Imports of Manufactured Timber and Timber Products

Boxes (usually shooks) for agricultural purposes.. . . .	£	300,000
Imported from: Finland, 24 per cent; Norway, 14 per cent; Sweden, 54 per cent; other countries, 8 per cent.		
The volume of timber imported is available from July, 1938, only: July-December, 1938, 1,110,000 cubic feet (£124,000); January-July, 1939, 1,652,000 cubic feet (£184,000).		
Boxes for industrial purposes.. . . .		175,000
Imported from: Finland, 17 per cent; Norway, 5 per cent; Sweden, 62 per cent; Canada, 5 per cent; Japan, 8 per cent; other countries, 3 per cent.		
The volume of timber imported is available from January, 1938, only: January-December, 1938, 1,770,000 cubic feet (£217,000); January-July, 1939, 730,000 cubic feet (£81,000).		
Plywood	Cu. Ft.	122,000
Imported from: Poland, 20 per cent; Russia, 9 per cent; other Baltic countries, 12 per cent; United States, 16 per cent; Japan, 23 per cent; other countries, 20 per cent.		
Pulpboard.. . . .	Sq. Ft.	104,000
Imported from: Finland, 13 per cent; Sweden, 12 per cent; Canada, 21 per cent; United States, 47 per cent; other countries, 7 per cent.		
Wooden sleepers		230,000
Imported from: Northern Rhodesia, 21 per cent; Southern Rhodesia, 36 per cent; Australia, 33 per cent; Portuguese East Africa, 9 per cent; other countries, 1 per cent.		
Wooden handles for implements		33,000
Imported from: United Kingdom, 21 per cent; United States, 75 per cent; other countries, 4 per cent.		

As the result of war conditions, the volume of imports from the Baltic countries has been drastically reduced, and, while a small volume of trade may continue, it is apparent that substitute sources of supply must be found. This will have an important effect, particularly on certain products. For instance, during the four-year period 1935-38, the Northern European countries supplied approximately 60 per cent of all the coniferous lumber imported into South Africa. They also accounted for 92 per cent of the box shooks for agricultural purposes, 84 per cent of the shooks for industrial purposes, 45 per cent of the plywood, and 25 per cent of the pulpboard. In addition they supplied practically all the wood-pulp imported into South Africa, most of the wood wool and wood flour, and about 20 per cent of the total of doors, window-frames and similar articles used by the building trades.

The report states that under normal conditions practically all these products could be obtained elsewhere, particularly from the United States and Canada, although the prices would not necessarily be higher.

It is pointed out, however, that in addition to South Africa a great many other countries, particularly the United Kingdom, are now to an increased extent dependent upon North America for their supplies of coniferous wood. It is stated that in general the Canadian f.o.b. prices are understood to have increased by 25 per cent since the outbreak of the war but that prices will not be as important a factor in restricting imports as lack of shipping space. The conclusion reached is that South Africa's imports of coniferous timber and of certain articles manufactured therefrom will become restricted and that prices will be higher. It is not believed that the situation will become so acute with respect to imports of hardwoods.

DOMESTIC PRODUCTION

As a corollary to the importation of lumber, the question of obtaining domestic supplies is also dealt with. During the last war South Africa was faced with a problem very similar to that of to-day, and for a time what practically amounted to a wood famine was prevalent. The average annual imports of unmanufactured or partly manufactured lumber for the four years 1910 to 1913 were 15,700,000 cubic feet as compared with an average of 26,500,000 cubic feet during the years 1935 to 1938. As a result of the shortage of wood during the first war, it was realized how poor the country was as far as domestic supplies were concerned, and a forest policy was adopted with the object of increasing local output and reducing dependence on imports. The effect of this policy is apparent from a comparison of the state-controlled reforested areas in 1918 and 1939. In the former year they amounted to 74,000 acres, while in the period which has just closed they had risen to 354,000 acres. Despite this heavy increase and the fact that trees grow much more rapidly in South Africa than in Europe or North America, the Union can still meet only a small proportion of its requirements. In addition most of the growth is still very young, and there are comparatively few matured stands available. Most of the timber which can be made available at present consists of thinnings, which are logs with a diameter of only 5 to 8 inches. It is estimated that if trees of this size were used, about 6,500,000 cubic feet of round timber could be supplied from the government plantations, amounting to about 2,000,000 or 3,000,000 feet of sawn lumber, which is less than the average pre-war imports of box shooks alone.

SAWMILLS

Sawmills in the Union of South Africa belong to two groups: those operated by the Government and those by private individuals. The former will have a total capacity of approximately 3,250,000 cubic metres of timber in the round when certain additions and extensions are completed. The private mills can collectively handle about the same volume of wood, and several of these are also extending their plants.

As a consequence of the rapid increase in the available supplies of domestic timber, the sawmilling industry of the Union has developed to a considerable extent, particularly during the past year. The Government has recently established two breakdown mills adjoining the forest plantations in the vicinity of Stutterheim, a small town in the Eastern Cape Province. At the same place a plant has been established for the sawing of lumber suitable for the building trades and for the manufacture of box shooks. These mills have an annual capacity of approximately 700,000 cubic feet of logs. An additional new sawmill with a capacity of about 330,000 cubic feet has also been put into operation, in connection with which extensions and improvements are now projected which will increase its capacity to 700,000 cubic feet.

Another mill is planned for the northern part of the Transvaal, which will have an output of about 400,000 cubic feet, while extensions are being made on an existing plant at George, Cape Province, which will increase its present capacity from 600,000 cubic feet of logs to 1,000,000 cubic feet.

Apart from the extension of government undertakings, private enterprise is also showing considerable initiative in extending and improving its equipment. A new mill for the production of flooring boards and parquet blocks has recently begun operation in the vicinity of Cape Town, and a new plant has been erected near Port Elizabeth. This latter mill is capable of handling about 30,000 feet of logs a year and is especially equipped for the manufacture of box shooks. A new mill in the Eastern Transvaal, equipped to cut 400,000 cubic feet of logs, has also begun to produce shooks.

The report concludes by stating that the pioneer work in developing the local sawmilling industry has been effective and that further developments will probably keep pace with the larger supplies of domestic timber which will henceforth become available. For this reason future prospects are considered to be favourable. It is realized, however, that the Union's capacity to meet its own timber requirements is still small, and the country is for the most part dependent on supplies from overseas.

IRISH ALCOHOL FACTORIES IN 1939

JAMES CORMACK, CANADIAN TRADE COMMISSIONER

Dublin, February 3, 1940.—As explained in previous reports, the production of alcohol from potatoes was introduced in Ireland with the idea of maintaining prices and finding an outlet for the potatoes of Ireland when market conditions were distinctly unprofitable. The potato campaign of 1938-39 started in the normal way and supplies were quite satisfactory up to the frosty period about Christmas. A considerable proportion of the potatoes stored on the farms and in pits in the fields were damaged in that cold spell and went bad, the result being a scarcity of sound potatoes in Eire as well as in Great Britain. Prices of table potatoes went up as high as £6 to £8 per ton; but the alcohol factories, in accordance with their established policy to work *surplus* potatoes only, did not follow the rise in price, maintaining their price of £2 per ton. The result, of course, was that deliveries of potatoes to the factories decreased considerably early in the New Year. The factories, however, were again able to show their usefulness to the farmers by accepting and working substantial quantities of frost-bitten potatoes which were practically worthless for other purposes. It is understood that this last-mentioned aspect of the alcohol scheme was much appreciated by the farming community in the factory districts.

USE OF MOLASSES

Following highly successful results in the production of alcohol from molasses at the Cooley factory in the summer and fall of 1938, it was decided to carry out the plans for installing plants for working molasses as an alternative raw material at the four other factories. These installations were completed in the early summer of 1939 and production from molasses started immediately thereafter.

With regard to molasses supplies, it was felt undesirable to rely only on the Irish sugar factories, since a considerable proportion of the home-produced molasses is returned to the farmers after having been mixed with dried beet pulp and, further, since the amount of molasses available for sale depends entirely on the beet acreage, which has shown a tendency to decline in recent years. Arrangements were made to get supplies of imported cane molasses and tank installations for receiving bulk cargoes of this commodity were erected at three Irish ports, Dundalk, Sligo, and Buncarna, County Donegal, situated conveniently to the five alcohol factories. Pending completion of these tanks, supplies of molasses were imported in drums. During 1939 the proportion of potatoes to molasses used was roughly 25 to 75. The proportion of home-produced to imported molasses used was 10 to 90.

Molasses of two main grades have been employed, both imported kinds being bought in Liverpool of Cuban and Jamaican origin. The origin is of no importance to the Irish Company, because molasses comes in duty free as a raw material. The British Government controls all this supply, allocates it to various users, and fixes the price, which varies from month to month. High-

test molasses cost on an average about £3 per ton before the war, but the price is now double that figure. Second quality is about half the price of highest grade.

YIELDS OF ALCOHOL

Exact statistics of the yield of alcohol are not issued, but it is understood that 22·9 gallons of undenatured absolute alcohol were obtained in 1938 from one ton of washed potatoes having an average starch content of 14·7 per cent, and that in 1939 the yield was somewhat similar. One ton of highest molasses, which is really a concentrated cane juice in the consistency of a syrup, yields 88 gallons of alcohol per ton, one ton of ordinary commercial molasses gives 58 gallons. The potatoes of Ireland have a low starch content, averaging about 14 per cent. They are produced with the idea of selling in the United Kingdom market as food rather than supplying the distilleries.

ALCOHOL PRODUCTION

During the last six months of 1939 all five of the alcohol factories were in continuous production, working potatoes as far as available and then molasses. The total production is now working out at about 1,500,000 gallons of alcohol per annum. In spite of the outbreak of war it has been possible so far to obtain sufficient supplies to keep the distilleries going.

It would now appear that the alcohol scheme has taken satisfactory shape from the agricultural, the industrial, and the economic point of view. In accordance with the purpose for which they were originally erected, the factories are purchasing from the farmers all surplus potatoes. They can also work any surplus of home-produced molasses and are supplementing any shortage of the latter by importing foreign molasses. In this connection it should be pointed out that, even in years when there is a good market for potatoes, substantial quantities are outgraded for table and seed purposes as either too small or too big. The distilleries provide a useful outlet for these outgraded potatoes. Moreover, farmers often prefer to avoid the high cost of sorting the potatoes, by delivering them as they come from the fields to the factories.

USE OF ALCOHOL IN PETROL

It can be taken that about 20 per cent of the petrol at present sold in Eire contains alcohol in a proportion of 20 per cent alcohol to 80 per cent petrol. No difficulties of any importance have been noted in changing from the use of pure petrol to the alcohol blend in motor cars. At first complaints were made of dirt upsetting car carburetors, but this was probably occasioned by the alcohol removing the accumulated dirt from old petrol tanks—a situation which has now remedied itself. Many drivers report that their cars run better on the mixture, especially on hilly and winding roads.

ADMINISTRATION

A major alteration took place in the administrative organization of the Irish undertaking in March, 1939, when, pursuant to the Industrial Act, 1938, the concern which had been operating up to that time as a section of the Department of Industry and Commerce was converted into a limited company, the shares of which are all in State hands. The company completed its first financial period on September 30, 1939, with a reasonable profit, which was reached without increasing the selling price of the alcohol.

No price figures for alcohol sold are available, but it is understood that a good profit results to the Minister of Finance, i.e. a good return on State investment in the company.

The distributing petrol companies pay 3s. per gallon to the alcohol factories at the factories, and supply their own transportation. Petrol is increasing in price, as also the tax thereon; so the margin of difference is not now so great. The distributing companies are compelled by law to use Irish alcohol to an amount roughly equal to 20 per cent of the quantity of petrol they sell. In practice, this means that they use all the alcohol produced.

ARGENTINA'S TRADE WITH CANADA

J. A. STRONG, CANADIAN TRADE COMMISSIONER

Buenos Aires, January 31, 1940.—It would be extremely difficult to arrive at an agreement covering a mutual exchange of products between Canada and Argentina, effective over a workable period. The nature of the products exchanged tends to indicate that each country looks after its own best interests in the light of current conditions. The problems met in the recent Argentine-United States trade negotiations reflect a position similar to that of Argentine-Canadian trade relations. The effect of a temporary demand in Canada for such staples as wool or corn from Argentina is hard to reconcile with the Argentine demand for Canadian newsprint, seed potatoes or farm implements, which may vary widely in each case from year to year.

It suits Argentina to buy newsprint, seed potatoes, farm implements and asbestos fibre from Canada. These four commodities alone give Canada a favourable balance of trade with Argentina almost every year. Consequently, Argentina must take free exchange obtained from other sources to pay for other purchases that may be made in Canada. The present scarcity of free exchange dictates Argentina's policy of restricting other purchases from Canada to necessities not obtainable elsewhere in direct exchange for her own exports. Argentina would like to be able to buy from Canada at this time more paper, wood pulp, base metals, iron and steel, and other raw and semi-fabricated materials required for her own manufacturing industries, but is interested only in a comparatively limited number of lines of fully manufactured goods. (Interested Canadian firms are invited to write to the Canadian Trade Commissioner at Buenos Aires with a view to ascertaining the position of their particular line.)

NEWSPRINT

Argentina imported 160,805 short tons of newsprint in 1939 as compared with 139,246 tons during 1938. Comparative figures of imports of newsprint into Argentina for the years 1936 to 1939 are as follows:—

Argentine Newsprint Imports

	1936	1937	1938	1939	War Period 1938	1939
	Figures in Tons of 2,000 Pounds					
Canada	60,812	71,253	39,765	35,965	11,847	30,286
Finland	30,007	46,484	49,315	59,846	22,069	17,908
Norway	43,020	35,661	22,041	21,106	9,347	6,004
Sweden	27,633	29,338	18,887	29,581	5,942	6,702
Germany	1,600	3,055	8,770	12,493	7,394	1,721
Newfoundland . . . . .	....	....	....	1,701	....	1,707
United States . . . . .	....	....	....	113	....	113
Other Europe	370	187	468	....	286	....
Total	163,442	185,978	139,246	160,805	56,885	64,441

Arrivals of newsprint from the Scandinavian countries and Finland during January, 1940, have been: Finland, 4,174 rolls; Sweden, 901 rolls; Norway, 7,882 rolls and a further 901 rolls out of Amsterdam. There is another cargo of newsprint arriving from Finland early in February. Finland has important

contracts with Argentine publishers for shipment during 1940. The increased purchases of newsprint from Canada during recent months has been in part to ensure adequate stocks.

Argentina imported 14,491 tons of ordinary cardboard during 1939, of which Finland supplied 9,287 tons, Sweden 3,696 tons and the United States 767 tons.

WRAPPING PAPER

Argentina imported 7,146 short tons of heavy wrapping paper weighing over 25 grams per metre in 1939 as compared with 8,950 tons in 1938 and 8,373 tons in 1937. This grade of paper is used largely for cement and lime bags. Sweden supplied 5,292 tons of this class of paper, including 1,821 tons during the last four months of 1939. The cement manufacturing industry in Argentina now supplies all the local requirements in Portland cement.

Imports of light wrapping paper under 25 grams amounted to 1,387 tons in 1939 as compared with 1,818 tons in 1938. Argentina produces the bulk of her own requirements in the ordinary classes of wrapping paper.

WOOD PULP

There were 52,176 tons of wood pulp of all classes imported into Argentina in 1939 as compared with 42,376 tons in 1938 and 47,264 tons in 1937. Bleached and unbleached sulphite represents some two-thirds of the consumption of imported wood pulp. The remainder is kraft and bleached sulphate with only a small tonnage of mechanical. The United States supplies from the Pacific Coast the rayon pulp for the Du Pont rayon mill in Argentina. Otherwise the wood pulp requirements have come from Europe.

The Argentine paper manufacturing industry is working to capacity. Germany was an important supplier of various classes of paper to Argentina before the war. During 1938 Germany (not including Austria) shipped to Argentina 20,617 tons of paper, including these items and quantities: newsprint, 7,454 tons; book, coated and writing paper, 9,164 tons; cardboard, 2,358 tons; wrapping paper, 543 tons; wallpaper, 769 tons; blotting paper, 46 tons; blue-print paper, 58 tons; tissue paper, 70 tons; filter paper, 40 tons; photo paper, 45 tons; and emery paper, 35 tons. The United States, on the other hand, only supplied 3,985 tons in 1938, including 1,416 tons of toilet paper and 476 tons of wrapping paper.

Argentine paper manufacturers will benefit from the stoppage of imports of paper from Germany; but they are paying much higher prices for their imported wood pulp and supplies from Europe are uncertain. Argentina imported 65,228 tons of paper of all classes except newsprint in 1938 and there were 117,559 tons manufactured in Argentina. The Argentine paper industry in 1938 consumed 60,765 tons of wood pulp and wheat straw cellulose (the latter is manufactured in Argentina), 68,026 tons of waste paper, and 1,569 tons of rags in 1938. The increased production of paper in Argentina is reflected in the following figures:—

Argentine Paper Production

	1935	1937	1938
	Figures in Short Tons of 2,000 Pounds		
Total..	73.883	103.730	117.579
Book paper..	16,311	16,528	18,150
Writing paper.. . . . .	....	4,513	5,526
Wrapping, bags, etc..	31,342	45,274	52,786
Wrapping, linings..	2,831	2,629	2,999
Toilet paper..	873	906	1,439
Sundry..	881	7,928	6,039
Heavy cardboard..	13,880	16,398	18,297
Light cardboard..	4,665	4,975	5,790
Boxes, bags, etc..	3,100	4,579	6,553

There were very heavy importations of wood pulp during November and December last from Finland and Sweden. The local manufacturers have quite large stocks on hand. During January, 1940, arrivals of wood pulp were as follows: Finland, 1,600 bales; Sweden, 29,538 bales; Norway, 1,763 bales.

SEED POTATOES

There were heavy importations of seed potatoes into Argentina during the past season. After the outbreak of the war buyers increased their purchases in North America in anticipation of difficulties in getting deliveries from Europe. In the end most of the seed that had been ordered in Europe arrived, with the result that there has been more certified seed imported this season than the market could absorb.

The Argentine Government purchased 75,000 crates of certified seed from Canada and a further quantity from Holland. There is still 30,000 crates of this seed from Canada unsold on the local market and the plantings are practically completed.

The following table gives the figures for arrivals of certified seed in Argentina during the past three seasons:—

Argentine Imports of Certified Seed Potatoes

	1937-38	1938-39	1939-40
	Crates of Two Bushels		
Total..	981,793	347,632	592,536
Canada..	479,757	137,200	277,132
United States..	15,710	20,800	88,675
Denmark..	309,544	154,291	104,915
Holland..	18,414	17,045	83,514
Estonia..	52,839	11,601	32,300
Germany..	22,780	1,020	....
Latvia.. . . . .	....	5,020	....
Eire..	2,700	400	5,000
Chile.. . . . .	....	....	1,000
Other Europe..	80,049	255	....

The demand last season was for the Katahdin variety from Canada and Maine and the White Rose variety from the Pacific Coast. Due to Canada's small production of Katahdins last season, Green Mountains formed approximately 60 per cent of actual Canadian shipments to Argentina. Growing conditions appear in Argentina to be better than normal this season, but the yield will depend on the extent to which disease develops later.

Uruguay imported 60,000 to 70,000 crates of certified seed from Denmark for this season.

FRESH APPLES

Argentina imported 60,812 boxes of fresh apples from Canada and the United States during the 1939-40 season as compared with 65,846 boxes during the 1938-39 season. Canada supplied 23,359 boxes, an increase of 23 boxes over 1938-39, and the United States 37,453 boxes, representing a decrease of 5,057 boxes from the previous season. The United States also supplied 17,742 barrels of apples in the 1939-40 season.

The Argentine Government placed the importation of fresh apples on a quota basis in October last. The quotas allotted to Canada and the United States were 100 per cent of the actual imports from each country during the 1938-39 season.

The Argentine peach, plum and early apple crop has been almost a complete failure this season. The main apple and pear crops are being picked now and are considerably below normal in volume.

The United Kingdom and European export markets for Argentine pears and apples have been virtually closed due to the war. Small lots of pears have

gone to Holland, Norway and Switzerland. Argentina shipped also a cargo of Williams pears to Brazil and New York.

LUMBER

Argentina imported 37 million feet of Douglas fir lumber in 1939 as compared with 27 million feet in 1938 and 35 million feet in 1937. Uruguay imported only 61 thousand feet of fir lumber last year. Other imports of Pacific Coast lumber in 1939 were: Sitka spruce, 72 thousand feet; Californian and Idaho white pine, 2,698 thousand feet; California redwood, 38 thousand feet. No Pacific hemlock was entered.

In addition to the Pacific Coast lumber, Argentina normally imports around 90 million feet of pitch pine out of United States gulf ports; 120 million feet of "Brazilian" pine from Brazil; and 50 million feet of softwoods, including spruce, from Europe. Shipments of spruce out of the Baltic have stopped and Yugoslavia is now the sole supplier of spruce to Argentina. The spruce is used mainly for concrete forms in building construction.

Argentina has been an important consumer of alder plywood from Poland, Latvia and Finland, and to a lesser extent of European birch veneers. Argentina has to import all her lumber requirements except for railway ties, for which a local hardwood "quebracho" is used. The consumption of imported lumber and plywood will be at a much lower level for the period of the war and there will be re-adjustments in the use of the different classes of lumber. Brazilian pine seems likely to be substituted to some extent for European woods. The consumption of Douglas fir plywood should increase as consumers become more accustomed to it. A cargo of alder and birch plywood lately arrived from Riga. Stocks are now more than adequate for current needs. Consumption, too, is at a lower level now.

ASBESTOS FIBRE

Argentina has started an asbestos manufacturing industry. There were two new plants opened during 1939. Corrugated asbestos sheets, which will compete with galvanized iron sheets and asbestos pipes, are the two principal products of this new industry. Imports of raw asbestos fibre may run to 2,500 tons annually. Canada and Rhodesia are supplying the asbestos fibre.

FARM IMPLEMENTS

Argentine imports of farm implements were valued at approximately \$9 million in 1939. This figure showed a reduction of nearly 50 per cent from 1938, which was, however, a good year in the farm implement trade here. Combine-harvesters represented 30 per cent of farm implement imports in 1938; farm tractors, 35 per cent; repairs and parts, 15 per cent; seeders, 2.7 per cent; all other implements, 17.3 per cent.

Argentina placed farm implement imports from Canada and the United States on a quota basis in August, 1939, in order to conserve foreign exchange. It is suggested that the quota for farm implements for 1940 be set at 50 per cent of the average imports over the past three years for combines and other harvesting and cultivating implements, 25 per cent for farm tractors, and 100 per cent for repairs and parts. The reduction in imports of farm implements allowed for 1940 is for the same purpose of conserving foreign exchange. In the official view the quotas established will meet the minimum requirements of the farmer here.

OTHER IMPORTS FROM CANADA

Argentina imports certain other products from Canada. These include iron piping, automotive accessories, rubber boots, needles, electrical apparatus (but not electric household appliances), brushes of all kinds, colours, and plywood.

GERMAN TRADE WITH HAITI

C. S. BISSETT, CANADIAN TRADE COMMISSIONER

(The gourde has a fixed value of 20 cents United States currency)

Havana, December 31, 1939.—Total imports into Haiti in 1938 were valued at \$G.37,973,889. The United States, with a value of \$G.20,627,627 (54·31 per cent of the total), was the leading supplier of imported goods to the republic. The United Kingdom was second with \$G.5,879,615 (15·48 per cent), and Germany third with \$G.2,441,699 (6·43 per cent). In the previous year the imports from Germany were valued at \$G.3,249,615 or 7·05 per cent of the total from all countries.

As with the majority of the countries in the Caribbean area, most of Germany's trade with Haiti was conducted on the barter principle. Considering the tendency to undervalue the German goods imported under this system and to overvalue considerably the Haitian products taken in exchange, the figure of imports for 1938 cannot be considered as altogether reliable. It is probable that the true worth of German sales was appreciably nearer to the 1937 value than shown in the official figures.

MARKET PROSPECTS FOR CANADA

As Canada has a most-favoured-nation agreement with Haiti, Canadian products are accorded as favourable tariff treatment as are those of any other country. Unfortunately, however, there is no direct regular shipping service between Haiti and any Canadian port, and accordingly shipping costs are relatively high. The most convenient shipping point is New York, from which two steamship lines operate direct regular services to Port-au-Prince. With suitable freight services Canada's prospects of gaining, against other competition, a substantial share of Germany's former trade would be much better than it now appears to be. The greater part of the goods which Germany sold to Haiti in 1938 is composed of items which Canada normally finds difficulty in selling in non-preferential markets. There are, however, a limited number of products in which Canada should increase her sales. Probably more benefit would accrue from displacing Scandinavian trade in certain groups, such as paper, because of lack of shipping space due to war conditions, than can be expected from displacing German trade in this market. Depreciated exchange may be of greater assistance in meeting outside competition than is expected.

IMPORTS BY COMMODITY GROUPS

To illustrate the various items sold by Germany imports are treated by main commodity groups in the following paragraphs. The total imports from all countries combined for each item, showing weights and values, and similar details for Germany's share of the total, are given. All values are expressed in gourdes.

TEXTILES AND TEXTILE PRODUCTS

For convenience the four textile classes are grouped together in the following table. As Canada finds it most difficult to compete in textiles and textile products in any but preferential markets the prospects for sales increases in this group are rather remote. The principal German import items in 1938 were:—

	Total Imports		German Share	
	Kilos	Gourdes	Kilos	Gourdes
Cotton and manufactures thereof—				
Blankets and blanket cloth	2,187	10,521	1,026	4,721
Fabrics, plain, woven, dyed or printed	1,201,613	5,341,699	13,988	64,923
Fabrics, plain woven or embroidered	3,095	46,925	43	2,402
Fabrics, twilled or figured in the loom:				
Bleached or unbleached	100,560	445,388	136	1,946
Printed or dyed	687,470	2,683,857	51,307	225,096

PRINCIPAL TEXTILE IMPORTS FROM GERMANY—*Concluded*

	Total Imports		German Share	
	Kilos	Gourdes	Kilos	Gourdes
Cotton and manufactures thereof— <i>Conc.</i>				
Belts and hosiery	20,711	227,500	2,234	36,621
Knit goods	24,615	186,442	80	1,749
Yarns and manufactures thereof	78,285	650,273	5,661	39,693
All other cotton goods, n.e.e. . . . .	.....	685,732	.....	8,475
Vegetable fibres other than cotton and manufactures thereof—				
Jute bags	687,167	545,933	84,065	75,674
Yarns, threads, twines, ropes and cords	18,186	39,529	3,786	11,677
All other goods, n.e.e. . . . .	.....	254,609	.....	14,387
Wool, hair, bristles, etc., and manufactures . . . . .	.....	176,534	.....	13,783
Silk and manufactures thereof . . . . .	.....	231,850	.....	14,725

METALS AND METAL MANUFACTURES

Little opportunity also exists for Canada to obtain any appreciable share of Germany's former trade in this group, unless the depreciated value of the Canadian dollar is sufficient to overcome the price and freight handicaps faced by Canadian exporters. The items of chief interest in trade with Germany were:—

	Total Imports		German Share	
	Kilos	Gourdes	Kilos	Gourdes
Copper and alloys and manufactures thereof . . . . .	.....	200,158	.....	9,794
Gold, silver, platinum and manufactures thereof . . . . .	.....	18,989	.....	976
Iron and steel:				
Bars, beams, rods, plates and sheets	841,114	445,423	14,017	9,015
Baths, urinals and water closets	13,293	22,565	153	375
Cutlery . . . . .	.....	98,563	.....	70,137
Kitchen and household utensils, painted, tinned or galvanized	22,688	41,246	6,549	12,934
Enamelled ware	154,759	255,994	52,905	91,609
Nails and tacks	209,007	141,386	30,874	33,411
Tools and implements	11,528	53,340	542	2,817
Plain wire	6,575	4,632	830	646
All other n.e.e. . . . .	.....	690,082	.....	106,896
Plate ware, gold and silver . . . . .	.....	36,979	.....	1,314
Tin, lead, zinc and other metals and manufactures thereof . . . . .	.....	212,246	.....	87,078

STONES, EARTHS, ORES, GLASS AND CLAY PRODUCTS

Canada has never shipped anything of importance in this group, but under the conditions previously mentioned some business could be done in building cement. The principal German sales in 1938 were as follows:—

	Total Imports		German Share	
	Kilos	Gourdes	Kilos	Gourdes
Cement	4,581,696	322,060	4,036,079	280,322
Earthenware, porcelain, clay and pottery	169,756	148,072	63,656	73,592
Glass and glassware . . . . .	.....	221,460	.....	62,707
All other n.e.e. . . . .	.....	52,631	.....	8,067

PHARMACEUTICAL AND CHEMICAL PRODUCTS

This group offers possibilities in pharmaceutical products and patent medicines and soaps, given the conditions outlined above. The items of higher value from Germany were the following:—

	Total Imports		German Share	
	Kilos	Gourdes	Kilos	Gourdes
Patent medicines	10,794	75,901	1,068	13,744
All other medicines n.e.e. . . . .	.....	786,967	.....	245,846
Oils, fats, waxes and their derivatives . . . . .	.....	196,569	.....	4,047
All other chemical products n.e.e. . . . .	.....	30,740	.....	5,382
Paints and pigments	168,974	158,314	42,905	35,157
Printing and lithographic inks	1,125	4,810	67	1,102
All other dyes, colours, etc. n.e.e. . . . .	.....	207,783	.....	23,268
Perfumery, cosmetics and other toilet preparations . . . . .	.....	413,580	.....	23,365
Soap	3,107,836	1,753,313	66,115	46,280

MACHINERY, VEHICLES, INSTRUMENTS AND APPARATUS

With the exception of agricultural implements, such as ploughs, harrows, discs and cultivators, in which some gains might be made, this group offers little prospect of increased Canadian sales. These implements, moreover, would have to be suitable to the type of agriculture carried on in Haiti. German sales in 1938 were mainly in the following items:—

	Total Imports Gourdes	German Share Gourdes
Agricultural machinery, tools and instruments	775,911	223,261
Automobile trucks	378,776	8,050
All other vehicles and accessories	299,067	10,672
Radio receiving sets	113,344	2,204
All other electrical machinery, apparatus and appliances	568,724	32,933
Sewing machines	34,383	3,743
All other machinery and apparatus n.e.e.	1,203,588	69,691
Musical instruments and parts	26,262	6,474
Clocks and watches	40,207	10,858

FOODSTUFFS AND BEVERAGES

In Haitian import trade the foodstuffs and beverage group is by far the most important of all commodity groups, but Germany's sales in this category were less than U.S.\$20,000. There is thus little business to be gained by displacing German trade. However, there are prospects of increased trade in small volume in beer and cheese. The principal items in this group sold by Germany were:—

	Total Imports		German Share	
	Litres	Gourdes	Litres	Gourdes
Malt liquors	91,066	96,717	46,882	45,556
Distilled spirits	8,768	32,362	3,997	3,970
Wines	124,051	145,651	518	3,441
			Kilos	
Cheese	40,009	105,733	9,036	22,940
Confectionery	39,206	102,787	462	2,058

OTHER GROUPS

For convenience of tabulation the remaining commodity classes, each of which contain only a few items, are grouped together. The principal items imported from Germany in 1938 were as follows:—

	Total Imports		German Share	
	Kilos	Gourdes	Kilos	Gourdes
Paper and manufactures thereof—				
Books and other printed matter . . . . .	.....	236,116	.....	26,396
All other n.e.e. . . . .	.....	603,431	.....	35,014
Hides and skins and manufactures thereof—				
Tanned hides and skins, curried, dyed or dressed	22,202	144,898	1,191	15,776
Boots, shoes and slippers	53,454	260,652	4,737	16,270
All other n.e.e. . . . .	.....	149,015	.....	8,957
Wood and manufactures thereof—				
Furniture . . . . .	.....	47,890	.....	8,741
All other wood products n.e.e. . . . .	.....	105,079	.....	23,551
Rattan, bamboo, straw, etc., and manufactures..	.....	13,222	.....	1,215
Miscellaneous—				
Hats and caps . . . . .	.....	245,376	.....	30,469
Matches	95,752	172,096	2,160	3,846
Rubber tires and tubes	105,877	423,430	3,416	11,176
All other rubber goods n.e.e. . . . .	.....	83,064	.....	8,118
All other imported articles . . . . .	.....	511,493	.....	31,410

In the paper group there is probably the best opportunity for increasing Canadian trade with Haiti. However, this is from the point of view of displacing all imports from northern Europe rather than those from Germany alone. Should war conditions seriously curtail the shipping space available to the Scandinavian countries they will find it difficult to ensure delivery; consequently Haitian importers will seek new sources of supply.

In the hides and skins category patent leather sales offer prospects of increased business.

The outlook for new business in the wood group is not encouraging. The United States has practically a complete monopoly of the trade in rough lumber and timber of all kinds. The German share was solely in manufactured wood products in which Canada has not competed.

Similarly the miscellaneous group offers little or no prospect of increased trade for Canada against the competition of those countries which now obtain the bulk of this trade and whose competitive ability is not adversely affected by war conditions.

GERMAN TRADE WITH THE DOMINICAN REPUBLIC

C. S. BISSETT, CANADIAN TRADE COMMISSIONER

(Values are in Dominican dollars, which are equal in value to the United States dollar)

Havana, December 28, 1939.—The total imports into the Dominican Republic in 1938 were valued at \$11,342,495. Of this amount the United States supplied to a value of \$6,072,401 and Japan \$1,201,794. Germany with \$865,279, or 7.6 per cent of the total imports, was third in order. In 1937 Germany's share of the import trade reached a value of \$904,767.

However, these figures are not to be relied upon as accurately indicating Germany's position, since most of the interchange of goods between the two countries was on a barter basis and the recording of the true values of imports and exports is difficult under that system. Cash payments were seldom made and almost no foreign exchange was bought or sold. German goods generally were valued at their true market price or slightly lower, but Dominican goods were much overvalued in order to make the barter proposition attractive to the Dominican exporter. Except where there was a danger of the imposition of dumping duties the tendency was toward the undervaluation of German goods. Accordingly the true value of the imports from Germany is generally conceded to be somewhat higher than the official figure.

BARTER TRADE

Barter trade has been a most disturbing factor since it was first instituted in this market. Its attractiveness to the exporter lay in the heavy overvaluation of his export goods by the German purchaser which enabled him to throw the German goods received in exchange on the local market at prices cut in proportion to the excess valuation of his own exports. At the beginning this facility for selling German goods below the market brought the Dominican trader a quick return at normal profit for his exports. When the system became general, however, a huge supply of particular types of German goods, out of all proportion to normal market demands, accumulated in the exporters' store-houses. The final result was heavy deterioration of the goods themselves and subsequent loss through distress sales. At one time there was a minimum of two years' supply of German barbed wire on hand. Large stocks of cement were similarly built up. Even before the declaration of war this trade, because of its unregulated character and obvious disadvantages, had begun to decline.

MARKET PROSPECTS FOR CANADA

From the tariff point of view Canada is on the same basis in this market as all other countries. On the other hand, there are no direct shipping services from Canadian ports. All goods have to be routed to the Republic through New York and accordingly shipping costs are relatively high. Again the greater

part of the goods sold by Germany is composed of items in which Canada finds it difficult to compete in non-preferential markets. Accordingly the prospect of gaining any appreciable share of Germany's former trade is somewhat remote, except in a limited number of products. It is probable, because of the expected restriction of shipping space from northern Europe due to war conditions, that Canada could benefit more at the expense of the Scandinavian countries than at that of Germany. The outstanding opportunity in this respect is in supplying items in the paper group.

IMPORTS BY COMMODITY GROUPS

In the following paragraphs the main items imported into the Dominican Republic from Germany in 1938 are dealt with by commodity groups. The table given for each group shows the major items of that group purchased from Germany, and the quantity or weight and the value of total imports and of imports from Germany for each item.

MACHINERY, VEHICLES, INSTRUMENTS AND APPARATUS

This group is second in importance as an import group in Dominican trade, but the one in which imports from Germany were largest. The main items which figured in this interchange were as follows:—

	Total Imports		German Share	
	Units	\$	Units	\$
Agricultural machinery, tools and implements . . . . .	.....	148,448	.....	58,459
Automobiles	413	257,791	183	71,217
Bicycles and motorcycles	1,398	36,594	393	14,392
Trucks	195	148,366	51	39,099
All other vehicles n.e.e. . . . .	.....	57,287	.....	7,339
Clocks and watches . . . . .	.....	21,359	.....	5,095
Radios and radio phonographs	2,192	76,200	147	7,165
All other electrical machinery, apparatus and appliances . . . . .	.....	151,125	.....	12,277
Steam engines, hydraulic machinery, motors of petroleum, gasoline (except for automobiles), naphtha and compressed air . . . . .	.....	124,040	.....	18,809
Sewing machines . . . . .	.....	10,433	.....	1,322
Typewriters . . . . .	.....	24,200	.....	1,286
All other machines n.e.e. . . . .	.....	378,610	.....	31,238
Musical instruments and parts . . . . .	.....	14,525	.....	6,609

There is little possibility of obtaining any appreciable share of Germany's former trade in this group against the competition of the United States.

METALS AND METAL MANUFACTURES

This group was second in importance from the viewpoint of German supplies. It offers similarly little prospect for increase of Canadian sales to the Republic. The main items purchased from Germany were:—

	Total Imports		German Share	
	Kilos	\$	Kilos	\$
Kitchen utensils and other articles	154,507	14,405	3,722	406
Cutlery . . . . .	.....	26,311	.....	14,323
Furniture	57,326	22,975	4,213	861
Household ware . . . . .	.....	98,801	.....	31,770
Nails and tacks	269,412	29,847	71,517	10,095
Pipes and fittings	839,924	102,057	13,850	1,749
Structural material	3,801,366	289,202	507,570	35,099
Surgical and dental instruments of all kinds . . . . .	.....	11,402	.....	2,169
Tools and instruments . . . . .	.....	34,269	.....	7,336
Barbed wire	834,063	60,788	136,147	11,329
Plain and galvanized wire	963,889	71,089	81,437	6,210
All other iron and steel goods n.e.e. . . . .	.....	326,546	.....	42,111
Plated ware, gold and silver . . . . .	.....	19,004	.....	2,845
Tin, lead, zinc, other metals and manufactures thereof . . . . .	.....	35,288	.....	7,475
Copper and alloys and manufactures thereof . . . . .	.....	104,063	.....	6,401
Gold, silver and platinum and manufactures thereof . . . . .	.....	17,056	.....	322

STONES, EARTHS, ORES, GLASS AND CLAY PRODUCTS

This group offers trade possibilities for Canada in building cement, provided direct shipping services are available from St. Lawrence River ports. Heretofore Canadian cement mills have been unable to compete mainly for that reason. The main German items in the group were:—

	Total Imports		German Share	
	Kilos	\$	Kilos	\$
Cement	15,939,127	107,559	13,802,469	92,802
Earthenware, porcelain, clay and pottery . . . . .	.....	83,312	.....	35,997
Bottles and flasks . . . . .	.....	60,052	.....	25,088
Household ware	216,250	39,712	62,507	13,194
All other glassware n.e.e. . . . .	.....	33,864	.....	2,356
Stones and earth and manufactures thereof . . . . .	.....	25,553	.....	2,578

PHARMACEUTICAL AND CHEMICAL PRODUCTS

In this group opportunities for trade increases exist in dry colours, tallow for soap and pharmaceutical specialties:—

	Total Imports		German Share	
	Kilos	\$	Kilos	\$
Paints and pigments	401,898	76,879	6,982	1,309
Writing, printing and lithographic inks	13,113	7,784	2,747	1,812
All other inks, colours, dyes, etc., n.e.e. . . . .	.....	44,114	.....	6,332
Dentifrices, toilet waters, lotions and hair preparations	37,583	51,749	1,601	2,031
Essential oils, extracts and products used in preparing	.....	13,489	.....	1,101
soaps, perfumery and liquors . . . . .	.....	18,079	2,167	1,669
Toilet powder	15,714	.....	.....	827
Barks, beans, bulbs, flowers, grains, seeds, juice,	.....	62,556	.....	.....
extracts, oils, starch and feculae and all other	.....	15,737	.....	1,344
vegetable products for pharmaceutical uses . . . . .	.....	19,957	.....	10,673
Fish oil, tallows, spermaceti, wax, glycerine and all	.....	412,780	.....	75,981
other animal products . . . . .	.....	37,857	.....	4,339
Quinine . . . . .	.....	18,245	.....	1,002
Simple bodies, mineral, chemical and pharmaceutical	.....	78,442	1,518	653
products . . . . .	.....	93,166	.....	.....
Therapeutical serum and vaccine virus . . . . .	.....	.....	.....	.....
All other products n.e.e. . . . .	.....	.....	.....	.....
Explosives . . . . .	.....	.....	.....	.....

PAPER AND PAPER PRODUCTS

Although Germany's sales in this category were of minor importance it offers probably, as already suggested, the best opportunity for increasing Canadian shipments to the Dominican market. With a continuance of war conditions it is possible that Scandinavian manufacturers of paper and paper products may find it difficult to continue shipping because of scarcity of freight space. If this occurs Canadian mills should obtain a substantial portion of the Republic's paper market.

	Total Imports		German Share	
	Kilos	\$	Kilos	\$
Blank books . . . . .	.....	18,436	.....	1,569
Cardboard boxes	72,723	14,179	1,474	1,179
All other boxes of paper n.e.e.	230,154	21,024	2,903	1,121
Wrapping paper in sheets, rolls or bags	1,707,401	168,153	278,042	21,225
Writing and printing paper . . . . .	.....	78,626	.....	1,916
All other paper n.e.e. . . . .	.....	160,727	.....	8,023
Books and printed matter . . . . .	.....	45,162	.....	1,176

TEXTILES AND FIBRE PRODUCTS

For convenience the four textile and fibre groups have been combined. As Canadian manufacturers find it difficult to compete in textile products in non-preferential markets, there is not much likelihood that they will be able to increase their sales as a result of the stoppage in German supplies. The principal products supplied by Germany were:—

	Total Imports		German Share	
	Kilos	\$	Kilos	\$
Cotton and manufactures thereof—				
Blankets and blanket cloth	47,676	36,701	1,073	646
Stockings and socks	51,018*	56,358	7,476*	14,805
Yarns and manufactures thereof . . . . .	.....	160,354	.....	1,391
All other cotton products n.e.e. . . . .	.....	151,087	.....	2,308
Wool, bristles, hair and manufactures thereof—				
Brushes of bristles or hair . . . . .	.....	12,764	.....	1,482
All other products n.e.e. . . . .	.....	118,620	.....	11,633
Other vegetable fibres and manufactures thereof—				
Jute bags	5,150,957	510,081	16,610	3,438
Yarns, threads, twines, ropes and cords	153,411	41,753	9,269	3,896
Silk, natural or artificial, and manufactures thereof—				
Fabrics	908,279†	163,987	4,200†	683
All other silk products n.e.e. . . . .	.....	55,856	.....	1,120

* Dozen pairs. † Square metres.

OTHER GROUPS

Similarly for convenience the three remaining groups—animals and animal products, wood and wood products, and miscellaneous—all of which are of minor interest, are tabulated together as follows:—

	Total Imports		German Share	
	Kilos	\$	Kilos	\$
Animals and animal products—				
Hides and skins of all kinds	66,948	169,568	1,224	6,091
All other leather goods n.e.e. . . . .	.....	36,947	.....	1,016
Corn, bone, hoof, whalebone, vegetable ivory, paste, celluloid and imitations of same and manufactures . . . . .	.....	39,664	.....	2,337
Wood and wood products—				
Rattan, bamboo, straw, palm leaf and analogous materials and manufactures . . . . .	.....	15,624	.....	2,805
Furniture . . . . .	.....	23,671	.....	435
All other wooden products n.e.e. . . . .	.....	42,720	.....	8,662
Miscellaneous—				
Rubber tires and inner tubes	236,484	153,676	1,794	1,325
All other rubber products n.e.e. . . . .	.....	50,581	.....	2,794
Feathers, intestines, and manufactures thereof . . . . .	.....	15,429	.....	839
Games and toys	49,359	35,815	9,011	8,706

Of items in the above three groups patent leather is one in which Canada might increase sales as the result of Germany's loss of the Dominican market.

FOREIGN TRADE OF THE ANGLO-EGYPTIAN SUDAN IN 1938

HENRI TURCOT, CANADIAN TRADE COMMISSIONER

[One Egyptian pound (£E.) equals approximately \$4.66 Canadian]

Cairo, December 30, 1939.—The official figures for the value of the external trade of the Anglo-Egyptian Sudan in 1938 and 1937, exclusive of specie, are shown in the following table:—

	1938 £E.	1937 £E.	Difference £E.	
Public imports	4,158,098	4,771,452	—	613,354
Government imports	2,125,299	1,511,624	+	613,675
Total imports	6,283,397	6,283,076	+	321
Exports	5,490,362	8,130,456	—	2,640,091
Re-exports—				
Government	95,546	85,694	+	9,852
Public	383,826	499,349	—	115,523
Transit trade	117,770	241,102	—	123,332
Total trade	12,370,901	15,239,674	—	2,868,773

The visible balance of external trade (excluding specie and transit goods) in 1938 showed an excess of imports over exports of £E.313,663 as compared

with a favourable balance of £E.2,432,420 in 1937. The total trade declined by £E.2,868,773.

The principal decreases in public imports were in tea, wheat flour, machinery, and manufactures of metal, but with few exceptions the value of imports of nearly every commodity showed a slight decline from the 1937 value. The main items contributing to the rise in government imports were coal, railway sleepers, arms and explosives, motor vehicles and parts, machinery, and metalware. The decrease in exports was largely due to smaller shipments of cotton, coupled with lower prices.

IMPORTS

The following table shows the value of the principal items of public imports into the Sudan in 1938 and 1937:—

	1938 £ E.	1937 £ E.
Total	4,158,098	4,771,452
Cotton piece-goods	1,144,983	1,105,935
Metals and metalware	261,457	482,671
Tea	263,186	352,249
Coffee	208,788	216,322
Wheat flour	152,247	213,607
Motor vehicles, parts, and tires	176,571	204,322
Machinery	129,638	183,282
Tobacco, cigars, cigarettes	173,694	183,162
Sacks	117,935	123,510
Boots and shoes	56,488	86,745
Timber	59,204	70,533
Cement	26,134	27,622

The main items of government imports were as follows:—

	1938 £ E.	1937 £ E.
Total	2,125,299	1,511,624
Sugar	638,566	581,043
Motor cars, cycles, parts and tires	300,125	20,570
Machinery	261,113	167,509
Timber and railway sleepers	141,726	45,740
Metals and metalware	115,728	190,215
Coal and coke	214,624	136,936
Arms and explosives	66,048	31,253
Lubricating oils and greases	8,401	8,431
Oil fuel	13,380	14,278
Textiles	57,811	67,693
Chemical and medicinal products	46,726	29,656
Dyestuffs, tanstuffs and colours	23,741	25,081

SOURCES OF SUPPLY

The principal sources of supply for public and government imports combined, together with the percentage share of each (the figures for 1937 being shown within parentheses), were: Great Britain, 26·2 (23·4); Egypt, 23·0 (22·6); Japan, 17·5 (18·8); British India, 4·5 (6·7); Abyssinia, 1·3 (2·3); Dutch East Indies, 3·9 (4·4); United States, 2·3 (2·3); Belgium, 0·9 (1·8); Union of South Africa, 3·1 (1·3); Germany, 1·8 (2·6); Australia, 2·1 (2·3); Iran (Persia), 2·1 (2·0); France, 0·8 (1·3); Kenya, 0·8 (1·1); Italy, 0·7 (0·9); other countries, 9·0 (6·2). Canada is included in "other countries," and its share in 1938 was 2·1 per cent.

EXPORTS

The values of the principal items of exports from the Sudan in 1938 and 1937 were as follows:—

	1938 £ E.	1937 £ E.
Total	5,490,362	8,130,453
Cotton, ginned, and cottonseed	3,669,614	5,906,675
Gum arabic	662,658	717,798
Millet (dura and dukhn)	304,303	283,510
Sesame	199,672	284,573
Hides and skins, untanned	104,838	244,225

	1938 £E.	1937 £E.
Live stock	38,624	51,504
Gold bullion	87,529	59,255
Melon seed	49,166	52,466
Ground-nuts	43,590	54,985
Beans	41,830	31,885

The principal destinations of exports and the percentage share of each country (the percentages for 1937 being shown within parentheses), were: Great Britain, 47.1 (43.1); Egypt, 13.1 (8.5); France, 5.1 (5.0); British India, 14.7 (20.5); United States, 3.5 (4.4); Germany, 1.9 (2.1); Japan, 1.4 (3.6); Eritrea, 1.8 (1.4); Belgium, 1.3 (1.1); Holland, 1.1 (1.0); Italy, 2.5 (3.9); Australia, 0.5 (0.2); other countries, 6.0 (5.2).

TRADE WITH CANADA

No detailed figures are to be found in the Sudan's statistics as regards trade with Canada. On the other hand, Canadian official statistics show the value of the Dominion's exports to the Sudan at \$33,527 in the fiscal year ended March 31, 1939, as against \$324,530 in the preceding fiscal year. According to these statistics, Canada's exports to the Sudan in the two periods were as follows:—

	Fiscal Year ended March 31	
	1939	1938
Total	\$33,527	\$324,530
Hose . . . . .	.....	59
Pneumatic tire casings	14,331	8,188
Inner tubes	2,797	965
Manufactures of rubber, n.o.p. . . . .	.....	141
Canned sardines	921	1,160
Silk socks and stockings	178	.....
Planks and boards	13,437	311,764
Machinery, except farm.. . . .	.....	47
Automobile parts	19	.....
Spark plugs	300	751
Miscellaneous	1,544	1,455

A certain quantity of Canadian goods which reached the Sudan indirectly are not shown in the above figures. Railway sleepers, £E.104,215 in 1938 and £E.32,717 in 1937 (according to the Sudan statistics), form a considerable item not appearing in the Canadian statistics.

Sudan's exports to Canada were valued at \$23,884 in the fiscal year ended March 31, 1939, as compared with \$28,545 in the preceding year, and consisted exclusively of gum arabic.

PERUVIAN COTTON EXPORTS AND PRODUCTION IN 1939

S. G. MacDONALD, ASSISTANT TRADE COMMISSIONER

Lima, January 30, 1940.—According to preliminary statistics published by the Statistical Bureau of the Customs Department of Peru, the exportation of Peruvian cotton during 1939 amounted to 354,522 bales (of 480 pounds each) or 77,189,066 kilos or 1,678,023 quintals, without including linters. A noteworthy feature of the exports of cotton in 1939 was that, despite appreciable diminution of the production by unit of seed in a certain number of cotton-growing valleys, the exportation was greater than that of the previous year by 32,421 bales or 7,059,177 kilos (153,460 quintals).

This increase in exports during 1939 was mainly due to the shipment in the first half of the year of the 1938 cotton crop, which had been in storage in considerable quantity in various warehouses in Peruvian ports. This situation is clearly indicated in a comparison of the exports for the first half of 1939, when they totalled 25,432,970 kilos and those for the first half of 1938, when they amounted to 16,889,601 kilos.

While details have not yet been issued with respect to the actual production of Peruvian cotton during 1939, allowing for an estimated domestic consumption of about 135,000 quintals the production in 1939 approximated 1,815,000 quintals as compared with 1,826,567 quintals in 1938, and with 1,957,207 quintals in 1937 when Peru's largest cotton crop was marketed.

The following table shows the exports of cotton in the years 1935 to 1939:—

	Bales	Kilos	Quintals
1935..	357,889	77,922,107	1,693,958
1936..	370,839	80,741,547	1,755,251
1937..	374,004	81,430,526	1,770,229
1938..	322,100	70,129,889	1,524,563
1939..	354,522	77,189,066	1,678,023

EXPORTS BY COUNTRIES

For many years Great Britain has been the most important purchaser of Peruvian Tanguis and other types of cotton. In 1939 this situation still obtained, although actual exports to Great Britain were reduced by 8 per cent. Germany continued to hold second position, but in 1939 her purchases also declined by 11 per cent. Conversely, sales to Japan and the Netherlands increased approximately 9 per cent and 5 per cent, respectively.

The exports of cotton in 1939 and 1938 by chief purchasing countries, together with the percentage share of each, were as follows:—

	1939		1938	
	Kilos	Per Cent	Kilos	Per Cent
Great Britain..	37,277,814	48.29	39,805,387	36.76
Germany..	11,415,816	14.79	17,818,829	25.41
Japan..	8,265,172	10.71	1,252,838	1.79
Netherlands..	7,229,552	9.37	3,210,185	4.37
Belgium..	3,894,903	5.05	2,969,983	4.23
France..	2,529,056	3.28	1,549,707	2.21
Chile..	2,450,968	3.17	1,506,687	2.15
Italy..	1,331,231	1.72	404,851	0.58

IMPORTS INTO THE UNITED STATES OF PRODUCTS UNDER THE QUOTA PROVISIONS OF THE TRADE AGREEMENT

The following table, prepared by the Canadian Trade Commissioner's office at New York from preliminary figures issued by the Treasury Department at Washington, D.C., shows the standings of the quotas provided for under the Canada-United States Trade Agreement (signed November 17, 1938) up to January 27, 1940:—

	Total Quota	Reduction in Duty from the 1930 Tariff Act	Used by Canada to Jan. 27, 1940 Quantity	Per Cent
Cattle (700 lbs. or more). . . Head	225,000	3 to 1½ cts. per lb.	51,720	22.9
Cattle (less than 200 lbs.). . . Head	100,000	2½ to 1½ cts. per lb.	6,550	6.5
Whole milk.. . . . Gal.	3,000,000	6½ to 3½ cts. per gal.	664	....
Cream Gal.	1,500,000	56½ to 28¾ cts. per gal.	105	....
Filletted fish, fresh or frozen—cod, haddock, hake, pollock, cusk, and rosefish Lbs.	15,000,000	2½ to 1½ cts. per lb.	415,062	2.7
Seed potatoes Bu.	1,500,000 beginning Sept. 15, 1939	75 to 37½ cts. (60 cts. Dec. 1-23) per 100 lbs.	618,865	41.2
White or Irish potatoes, other than seed potatoes.. . . . Bu.	1,000,000 beginning Sept. 15, 1939	75 to 60 cts. per 100 lbs. Dec. 1 to end of Feb.; 37½ cts. Mar. 1 to Nov. 30	208,231	20.8
Silver or black fox furs .. . Units	100,000 beginning Dec. 1, 1939	50 to 35 per cent ad val.	43,455	74.7

Total imports of cattle weighing 700 pounds or more, other than dairy cattle, during the period January 1 to 27, 1940, amounted to 60,000 head, the quota allotment for the first quarter of 1940. Of this number 8,280 head or 3·6 per cent came from countries other than Canada. Imports of this type of cattle during the months of February and March will be subject to the full tariff rate under the Tariff Act of 1930.

The quota allotment on imports of silver and black fox furs is 100,000 units, of which Canada is allotted 58,300 units and other countries 41,700 units. For the period of January 1 to November 30, 1940, there were 19,793 units allocated to Canada after deducting the December, 1939, imports of 38,507 units from the Canadian allotment. Twenty-five per cent of the balance or 4,948 units were allowed entry in the month of January and this quota was closed on January 4, 1940. Canada has used up 43,455 units or 74·7 per cent of her total allotment for this year. The February quota for Canada is 4,948 units.

The quota allotment to other countries was closed on January 10, 1940. Imports for the period, December 1, 1939, to January 10, 1940, amounted to 11,776 units, leaving a balance of 29,924 units, 25 per cent of which has been allocated for February, representing 7,481 units.

CONTROL OF EXPORTS FROM CANADA

EXPORTS TO NEUTRAL COUNTRIES CONTIGUOUS TO GERMANY

By Order in Council, the exportation of any goods from Canada to neutral countries contiguous to Germany or territories under Germany's control is prohibited except under permit issued by or on behalf of the Minister of National Revenue. Unless otherwise advised, however, goods valued at not more than \$25 may be exported to these countries without a particular permit.

The countries covered by this Order in Council are:—

Belgium
Denmark
Hungary
Italy
Liechtenstein
Lithuania

Luxemburg
Netherlands
Roumania
Switzerland
U.S.S.R. (Russia)
Yugoslavia

Application forms for permission to export goods to the countries named may be obtained on direct application to the Department of National Revenue.

GOODS PROHIBITED EXPORT EXCEPT UNDER PERMIT

Following is a list of goods the export of which from Canada, except under permit issued by or on behalf of the Minister of National Revenue, has been prohibited:—

Arms, ammunition, implements or munitions of war, or any articles deemed capable of being converted therein or made useful in the production thereof.

Articles enumerated under the latter description are:—

Asbestos, including asbestos sand and waste.
Bauxite, alumina and aluminium.
Cadmium.
Cobalt, in ore, refined, salts and stellite.
Copper, in ore, concentrates and refined.
Ferromanganese.
Lead, in ore, concentrates and refined.
Nickel, in ore, matte and refined.
Nickel oxide.
Zinc in ore, concentrates and refined.
Scrap metal of all kinds.

These items are further defined as follows:—

Asbestos.—To include asbestos packing, brake lining, clutch facings, gaskets, and asbestos in primary forms.

Aluminium, Copper Refined, Lead Refined, Nickel Refined, Zinc Refined.—These items should be included but should not necessarily be limited to mill forms, cast, rolled, extruded, or drawn, such as: ingots, pigs, blocks, cathodes, lumps, drops and shot; blooms, slabs, billets, bars, rods, plates, sheets, hoop, band, strip; angles, beams, channels, tees, zees, and other shapes or sections; pipes and tubes; wire, including twisted or stranded wire, and wire rope or cables.

The term "copper" to include brass and bronze; the term "nickel" to include monel metal; refined lead to include antimonial lead, type metal and babbitt metal.

Additions were made to the foregoing list, effective February 5, 1940, as follows:—

Artificial abrasives, including abrasive wheels and grindstones.

Pig iron.

Steel ingots, blooms and billets.

Iron or steel rails, pipes and tubes, new or used.

Mica, including scrap and waste.

Platinum concentrates and residues.

Radium and uranium salts and minerals (including pitchblendes).

Selenium.

Tellurium.

Pyrites.

Molybdenum, ore and concentrates.

Tungsten, ore and concentrates, tungsten carbide.

Spiegeleisen, silico-spiegel, silico-manganese.

Wool (including wool on the skin), tops, rags, waste and yarn.

Licences for the export of these articles shall not be issued unless approved by the Wartime Prices and Trade Board on a recommendation of the Wool Administrator.

Fibre flax seed.

Licences for the export of this item shall be withheld unless recommended by the Agricultural Supplies Committee.

Calves' stomachs.

Fibre flax.

Licences for export of fibre flax shall be withheld unless recommended by the Minister of Agriculture. All applications for permission to export shall be forwarded direct to the Deputy Minister, Department of Agriculture.

Fertilizers of every kind and analysis with the exception of calcium cyanamide and fertilizers put up in small packages for household and amateur garden use.

Licences for the export of fertilizers, with the exceptions noted, shall be withheld unless recommended by the Minister of Agriculture. Regulations governing such export have been established by the Fertilizer Supply Committee. These regulations state that, until further notice, certificates will not be issued for the export of nitrate of soda, nitrate of potash, nitrate of calcium, nor potash salts of any form. It is intended to permit normal export of mixed fertilizer, particularly to Newfoundland, the states of Maine and Washington; and sulphate of ammonia and organics to the United States and other non-enemy countries. Only if adequate Canadian supply of any of the items is endangered by excessive export demand will certificates not be issued. Export certificates will be issued upon application to any of the offices of the Plant Products Division, Dominion Department of Agriculture.

Sugar.

No person other than the Sugar Administrator shall import into or export from Canada any sugar except under the authority of a permit issued by the Sugar Administrator. This regulation does not apply to casual exportation not exceeding 25 pounds, nor to maple sugar.

Coal and coke.

The Wartime Prices and Trade Board was authorized to license all persons dealing in coal and coke. Collectors of Customs may not accept entries for the importation or exportation of coal and coke unless the number of the licence issued by the Coal Administrator is shown on the customs entry. These regulations do not apply to casual importations or exportations not exceeding five tons.

TARIFF CHANGES AND TRADE REGULATIONS

United Kingdom

IMPORT LICENSING REGULATIONS

DRIED FRUITS AND TEA

With reference to the article in *Commercial Intelligence Journal* No. 1880 (February 10, 1940), page 222, concerning import licensing of dried fruits, the Notice of the Import Licensing Department issued on January 26, 1940, states that at the request of the Ministry of Food the Board of Trade added to the list of goods, the import of which is prohibited except under licence, the following dried fruits: currants; dates, pressed, whether stoned or not; apples; apricots; nectarines; peaches; pears; plums and prunes; fig cake; figs; muscatels; raisins, sultanas. Tea was placed in the same category as regards licensing. The order went into force on January 27, 1940, but goods proved to the satisfaction of the customs authorities to have been dispatched to the United Kingdom before that date did not require a licence. It is announced that the purpose of the order is to enable the Ministry of Food to obtain proper control of these commodities in order to regulate prices and to ensure the best use of quantities imported.

Licences to import dried fruits will be issued normally only to persons importing dried fruits on behalf of the Ministry of Food. Therefore, importers are advised that no arrangements to import should be made until an offer to purchase has been accepted by the Ministry of Food. Enquiries or applications for permission to import should be made in the case of dried fruits to the Dried Fruits Branch of the Ministry of Food, Great Westminster House, Horseferry Road, London, S.W.1, and in the case of tea to the Tea Branch of the Ministry of Food at the same address.

Australia

SECOND LICENSING PERIOD

Mr. L. M. Cosgrave, Canadian Trade Commissioner at Sydney, writes under date January 31, 1940, that the second licensing period, covering goods classified under Categories A, B and C, commences on February 1 and ends on March 31, 1940. Where licences are issued for the second period, it is to be noted that an applicant is *not* to be permitted to carry over any allocation from the first licensing period to the second or any subsequent licensing periods. The Australian Government further advises that, in cases requiring special consideration, that is, where goods are strictly seasonal or essential for use in major industries or for defence purposes, this rule may not be rigidly enforced. Such cases will be submitted to the Commonwealth Customs authorities at Canberra for consideration and decision.

GOODS ON ORDER ON DECEMBER 1, 1939

With reference to the article on page 320 of the last issue of the *Commercial Intelligence Journal* (No. 1882), the position of goods on order as stated in the paragraph numbered 1 was changed by a later Order of the Australian Customs Department which reads: "1. Where an agent in Australia is authorized to accept orders on behalf of an overseas supplier, evidence of the acceptance of such orders by the agent will be recognized conditionally upon the agent being able to establish that the orders were in the hands of the overseas supplier prior to the 1st December, 1939, for goods in categories A, B and C and prior to the 1st November, 1939, for goods in Category D."

CHANGES IN IMPORT CONTROL REGULATIONS

Mr. R. P. Bower, Assistant Trade Commissioner at Sydney, writes under date January 26, 1940, that ever since Australian Customs (Import Licensing) Regulations were introduced in December, 1939, it has been necessary to make periodical changes in the details to take care of conditions which were not foreseen when the original scheme was drafted. All important changes have been shown in the *Commercial Intelligence Journal* as cables were received from this territory. In addition, more detailed reports have been published from time to time. The most recent change (preliminary notice of which appeared in *Commercial Intelligence Journal* No. 1880) concerns a relaxation in the clauses prohibiting the importation of "D" category goods which were ordered and accepted by overseas suppliers during the month of November, 1939. A resumé of the previous treatment accorded "D" category goods is necessary to understand the present regulations.

Up to January 25, 1940, the Customs (Import Licensing) Regulations provided that the importation of "D" category goods was prohibited into Australia from all non-sterling countries (which include Canada). Exceptions were made

- (1) in the case of goods which were in transit at the time the regulations came into force, and
- (2) in the case of goods which were ordered and accepted by the overseas supplier prior to November 1, 1939. Exceptions in this latter case were contingent upon the quantities being normal, and the importation being effected prior to March 31, 1940.

Importers were outspoken in their criticism of the date selected, claiming that as the regulations were not introduced until December 1, orders accepted prior to that date should be allowed to stand. On December 14 the Government announced that they would consider granting concessions to deserving applications lodged with them prior to December 18. It was ultimately decided, however, that the regulations could not be altered, and despite numerous protests on behalf of overseas firms which faced financial loss as a result of work done on Australian "D" class goods ordered during November, the authorities refused to make any concessions.

When it became apparent that the Government was not prepared to grant additional foreign exchange for the purchase of "D" category lines, it was suggested that some importers with quotas for "A," "B" and "C" category goods might be willing to sacrifice some of these quotas in exchange for a licence to import the same value of "D" category goods. The Government agreed to this proposal under the following conditions:—

- (1) Orders must have been placed, and accepted by the overseas supplier during the month of November, 1939.
- (2) Quantities must be normal.
- (3) Importations must be effected not later than April 30, 1940.

The authorities have ruled that the extension of the time limit to April 30 will not apply to "D" class goods ordered prior to November 1, 1939, and all such goods must be imported prior to March 31, as previously provided.

Where an importer has placed orders during the month of November, 1939, but cannot show where he controls "A," "B" or "C" quotas from which the necessary deductions can be made, no licence will be issued.

It is apparent, therefore, that while the latest regulations give a measure of relief to certain importers of "D" category goods, the total value of non-sterling exchange required for imports will not be affected. The extent to which

importers will take advantage of the new regulations will depend upon whether or not they think they can make more money from the "D" class items that will be allowed, than from the "A," "B" or "C" items which they will have to forego in exchange.

Ireland

IMPORT QUOTAS ON WOVEN TISSUES OF WOOL AND WORSTED AND ON SPARK PLUGS

Mr. James Cormack, Canadian Trade Commissioner in Dublin, advises that two Government orders, both dated January 30, 1940, have been issued dealing with import quotas.

The first order amends Quota No. 13 Order, which relates to certain woollen and worsted tissues, by providing that as from February 1, 1940, the import prohibition imposed will be confined to cloths which are of a value exceeding 3s. 6d. per square yard. Formerly the order applied to cloths exceeding 2s. per square yard in value.

The second order relates to spark plugs and component parts thereof and fixes the quota at 4,000 articles for the period March 1, 1940, to August 31, 1940, which amount is the same as that allotted for the previous six months.

France

GIFTS FOR MEMBERS OF HIS MAJESTY'S FORCES

Mr. Hercule Barré, Commercial Attaché in Paris, writes under date of January 24 that he has received the following advice respecting the tariff treatment accorded to gifts sent to members of the armed forces of Great Britain and Canada in France:

As regards parcels containing tobacco or its products, this may be sent to any soldier in packages not exceeding 5 kilograms. As long as the label mentions precisely that the parcel is destined to the armed forces of Great Britain or of Canada, such parcel will enter France duty free.

With regard to packages containing other goods, these must not be greater in weight than 5 kilograms, and must contain only foodstuffs or articles of current personal use, such as clothing, socks, books, soap, pipes, pen-knives, post cards, letter paper, pencils, razor blades, etc. No tobacco or its derivatives may be sent with such general parcels. Duty free admission is accorded, provided the shipment is made by private individuals residing abroad. When shipments are made by commercial firms who are paid for them, such shipments will be charged with the regular rate of duty.

Alcoholic or non-alcoholic beverages must be sent separately, and must pay the usual customs duties.

Parcels addressed by the Red Cross to its units in France will also be exempted from customs duty.

Netherlands

PROHIBITION OF IMPORTATION AND TRANSIT TRADE OF CATTLE AND CERTAIN ANIMAL PRODUCTS

Mr. J. A. Langley, Canadian Commercial Attaché at Rotterdam, reports that by a royal decree of January 16, 1940, effective February 1, 1940, the importation into and the transit trade through the Netherlands of foreign cattle, horns, paws, hoofs, bristles, hair, bones, including broken and ground bones, fertilizers consisting wholly or partly of animal meal, bone meal or blood meal, and fodder consisting wholly or partly of animal meal, bone meal and blood meal, is prohibited.

The above prohibition shall also apply to wool but shall become effective on a date to be stipulated later.

Should special reasons necessitate a departure from this prohibition the Minister of Economic Affairs may allow of such deviation provided the necessary disinfection precautions be taken.

Surinam (Netherlands Guiana)

BASIS FOR LEVYING AD VALOREM DUTY AND TARIFF CHANGES

Mr. J. A. Langley, Canadian Commercial Attaché at Rotterdam, forwards advice from the Netherlands Ministry of Colonies that for the levying of ad valorem duties in Surinam (Netherlands Guiana) the c.i.f. value shall, for the time being, be calculated on the basis of the freight rates and insurance premiums which were in effect on August 29, 1939. He also reports some textual changes in the import tariff effective September 16, 1939, respecting potatoes, stock-fish, seeds for agricultural purposes, salt, fruit wine, roofing tiles and slates, fire-proof cement, and radio receiving sets. A surtax of one-fourth of the duty, applicable to all goods, remains as formerly.

Turkey

CHANGE IN IMPORT CONTROL OF CANADIAN GOODS

With reference to the article in *Commercial Intelligence Journal* No. 1874 (December 30, 1939), page 1251, Mr. Henri Turcot, Canadian Trade Commissioner at Cairo, cables regarding the general import regime of Turkey: "According to a decree published in the Turkish *Official Gazette* of January 25, all compensation transactions with countries having no commercial or payments agreement with Turkey, including Canada, will be handled by Takas Limited, on the basis of instructions to be drawn up by the Ministry of Commerce. When the instructions are published in the *Gazette* all compensatory commercial exchange between Turkey and Canada will be free. List 2 attached to decree No. 2/7005 of July 15, 1937, is suppressed." Takas Limited is a company authorized to regulate premiums arising out of such compensation transactions, i.e., where exchange derived from an export shipment is allocated to pay for an import shipment. The goods comprising List 2 were enumerated in the above-mentioned article in the *Commercial Intelligence Journal*.

EXCHANGE CONDITIONS IN FOREIGN COUNTRIES

Denmark

T. J. MONTY, ASSISTANT TRADE COMMISSIONER

Oslo, January 13, 1940.—Foreign exchange required in Denmark for payment of imported goods can only be obtained providing the importer is in possession of an import licence.

Hitherto, import licences have been required for most imports and have been especially difficult to obtain for ordinary imports from Canada, due to Canada's favourable balance of trade.

Due to the depletions of exchange reserves since the outbreak of war, resulting from the change over from credit to cash terms for imports, regulations have been instituted whereby payment for goods in advance can only be effected after a permit has been obtained from the authorities (Valuta Central). Importers are instructed to make full use of their credit facilities abroad.

The transfer of funds out of Denmark is not possible without a permit from the National Bank.

Finland

Since the outbreak of hostilities, emergency measures have been applied whereby all imports are subject to import licences, this licence being required before exchange can be granted in payment.

Exchange is said to be available for legitimate imports considered necessary by the authorities, and for which import licences have been granted. It has been reported, however, that, due to unusual circumstances and to the new regulations in effect requiring full information respecting the desired exchange, even in some cases where import licences have been granted foreign exchange required in payment has been difficult to obtain from the banks.

Travellers abroad are limited to 3,000 Finnish marks (\$60 in Canadian currency). The transfer of funds or securities out of Finland is subject to a permit from the Bank of Finland. Full details as to the reason or purposes of transfer must be made available to Finnish banks before exchange can be granted.

Norway

As a result of hostilities, the Foreign Exchange Committee of Norwegian Banks agreed to put into force temporary measures to ensure primarily the meeting of the most vital payments. The Committee announced that, as from September 4, all foreign exchange transactions must pass through Norwegian banks. Foreign exchange is now sold solely to cover payments due for the import of goods, necessary travelling expenses, and other bona fide claims. Exchange for the purchase of foreign securities or investments abroad is not allowed without agreement with the banks. Applications for the purchase of foreign exchange must be made on special forms, on which information proving the necessity of the granting of the request must be given.

Exchange for payment of normal import requirements is made available to importers after a permit has been obtained from the banking authorities, on production of documentary evidence, such as invoice, proving the necessity of exchange.

As a result of the heavy demands for foreign exchange and a certain depletion of reserves, a stricter enforcement of the regulations now exists, favouring payment of necessities. As a result of the present situation, this tendency is liable to become accentuated.

Sweden

The foreign exchange market in Sweden has been affected to some extent by the reduction of foreign currency reserves, which has taken place within the last few months.

Towards the close of 1939, Swedish banks voluntarily applied certain restrictions on the sale of exchange with the view to safeguarding the country's foreign exchange reserves. They agreed to dispose of exchange for certain legitimate purposes only, such as payment for imports and for interest on and amortization of foreign debts, for travelling expenses, etc., but not as a rule for transfers of capital abroad.

No compulsory legislation has been enacted, and foreign exchange is still readily available for payment of imported goods. Preference is expected, however, to be extended to goods of prime necessity, and restrictions on luxury imports may be expected if the present situation develops adversely.

In order to stabilize payment conditions between Sweden and Great Britain, a clearing agreement came into force on December 20 whereby payments in the United Kingdom for Swedish goods will be placed in special Swedish pound accounts in England. These will be used for payment of imports from Great Britain and the Empire (with the exception of Canada, Newfoundland and Hongkong) at a rate fixed by the Riksbank. This procedure is expected to eliminate undue fluctuations and ensure funds for payment.

FOREIGN EXCHANGE QUOTATIONS: WEEK ENDING FEB. 26, 1940

The Foreign Exchange Division of the Bank of Canada has furnished the following statement of the nominal closing quotations for all the principal exchanges for the week ending Monday, February 26, 1940, and for the week ending Monday, February 19, 1940, with the official bank rate:—

Country	Unit	Present or Former Gold Parity	Nominal Quotations in Montreal Week ending Feb. 19	Nominal Quotations in Montreal Week ending Feb. 26	Official Bank Rate
Belgium	Belga	.1001	\$.1867	\$.1874	2
Bulgaria	Lev	.0072	.....	.....	6
Denmark	Krone	.2680	.2143	.2143	5½
Finland	Markka	.0252	.0189	.0189	4
France	Franc	.0392	.0248	.0248	2
Great Britain	Pound	4.8666			
	Buying		4.4300	4.4300	2
	Selling		4.4700	4.4700	—
Greece	Drachma	.0130	.0080	.0080	6
Holland	Guilder	.4020	.5894	.5903	3
Hungary	Pengo	.1749	.3227	.3227	4
	Unofficial		.1954	.1954	—
Italy	Lira	.0526	.0560	.0560	4½
Yugoslavia	Dinar	.0176	.0251	.0250	5
Norway	Krone	.2680	.2521	.2520	4½
Portugal	Escudo	.0442	.0402	.0403	4-4½
Roumania	Leu	.0060	.....	.....	3½
Spain	Peseta	.1930	.1104	.....	5
Sweden	Krona	.2680	.2643	.2642	3
Switzerland	Franc	.1930	.2489	.2489	1½
United States	Dollar	1.0000			
	Buying		1.1000	1.1000	1
	Selling		1.1100	1.1100	—
Mexico	Peso	.4985	.1849	.1849	3
Cuba	Peso	1.0000	.....	.....	—
Guadeloupe	Franc	.0392	.0248	.0248	—
Jamaica	Pound	4.8666	4.4800	4.4800	—
Martinique	Franc	.0392	.0248	.0248	—
Other British West Indies	Dollar	1.0138	.9313	.9313	—
Argentina	Peso (Paper)	.4245	.3304	.3304	3½
	Free		.2581	.2587	—
Brazil	Milreis (Paper)	.1196	.0673	.0673	—
	Free		.0558	.0558	—
British Guiana	Dollar	1.0138	.9313	.9313	—
Chile	Peso	.1217	.0573	.0573	3-4½
	Export		.0444	.0444	—
Colombia	Peso	.9733	.6356	.6356	4
Peru	Sol	.2800	.....	.....	6
Venezuela	Bolivar	.1930	.....	.....	—
Uruguay	Peso	1.0342			
	Controlled		.7307	.7307	—
	Uncontrolled		.4207	.4211	—
South Africa	Pound	4.8666	4.4600	4.4600	3½
Egypt	Pound (100 Piastres)	4.9431	4.5800	4.5800	—
China (Shanghai)	Dollar	.....	.0761	.0754	—
Hongkong	Dollar	.....	.2720	.2718	—
India	Rupee	.3650	.3227	.3227	3
Japan	Yen	.4985	.2602	.2602	3.29
Java	Guilder	.4020	.....	.....	—
Thailand (Siam)	Baht (Tical)	.4424	.4018	.4018	—
Straits Settlements	Dollar	.5678	.5146	.5145	—
Australia	Pound	4.8666	3.5800	3.5800	3
New Zealand	Pound	4.8666	3.5900	3.5900	4

The Dominion Bureau of Statistics has supplied the following note:—

There was no change in daily buying and selling rates set by the Canadian Foreign Exchange Control Board for sterling and United States funds during the week ended February 26. These remained at \$4.43-\$4.47 and \$1.10-\$1.11, respectively. During the same interval sterling free rates at New York showed an easier tendency, quotations closing at \$3.9483 as compared with \$3.9523 a week earlier. Canadian funds were off $\frac{1}{16}$ cent at 86½ cents as the week closed. At Montreal there was a minor decline in the French franc rate to 2.48 cents, while neutral units showed moderate strength. Belgas were quoted 7 points higher at 18.74 cents, while florins finished up 9 at 59.03 cents. Scandinavian units were steady. Strict governmental exchange control recently was established over Swedish currency in view of a considerable flight of capital in the past few weeks.

TRADE OPPORTUNITIES ABROAD FOR CANADIAN PRODUCTS

The Trade Inquiries for Canadian products published below have been received since the publication of the last issue of the *Commercial Intelligence Journal*. Interested exporters may secure the names and addresses of the firms making these inquiries, together with further details regarding the commodities required, on application to the Director, Commercial Intelligence Branch, Department of Trade and Commerce, Ottawa, or—

Secretary, Board of Trade—

Saint John, N.B.
Halifax, N.S.
Quebec, P.Q.
Montreal, P.Q.
Toronto, Ont.
Chatham, Ont.

Guelph, Ont.
Kitchener, Ont.
Brantford, Ont.
Stratford, Ont.
Woodstock, Ont.
St. Mary's, Ont.

Portage la Prairie, Man.
St. Boniface, Man.
Winnipeg, Man.
Vancouver, B.C.
New Westminster, B.C.

Secretary, Chamber of Commerce—

Sherbrooke, P.Q.
Kingston, Ont.
Oshawa, Ont.
Belleville, Ont.

Peterborough, Ont.
London, Ont.
St. Catharines, Ont.
Hamilton, Ont.

Victoria, B.C.
Prince Rupert, B.C.

Windsor Chamber of Commerce, Windsor, Ont.

Commercial Intelligence Service, Department of Municipal Affairs, Trade and Commerce, Quebec.

Department of Industry, Brantford, Ont.

Industrial Commissioner, Stratford, Ont.

La Chambre de Commerce de Montréal, 25 St. James E., Montreal, P.Q.

Secretary, Canadian Manufacturers Association—

Toronto, Ont.
Montreal, P.Q.

Winnipeg, Man.
Edmonton, Alta.

Vancouver, B.C.
Victoria, B.C.

Director, Bureau of Industrial and Trade Extension, Department of Trade and Industry, Victoria, B.C.

Commodity	No.	Location of Inquirer	Purchase or Agency
Foodstuffs—			
Milk, Condensed.....	114	Sliema, Malta.....	Purchase and Agency.
Fruits and Vegetables (Canned).....	115	Sliema, Malta.....	Purchase and Agency.
Pears, Peaches and Apricots (Canned).....	116	Bristol, England.....	Agency.
Fish Oil.....	117	Bristol, England.....	Purchase.
Miscellaneous—			
Religious Pictures.....	118	Sao Paulo, Brazil.....	Agency.
Paper.....	119	Limassol, Cyprus.....	Agency.
Paper.....	120	Alexandria, Egypt.....	Purchase.
Paper.....	121	Alexandria, Egypt.....	Agency.
Chipboard, Strawboard and Pulpboards.....	122	Gloucester, England.....	Purchase.
Kraft Liner Board.....	123	Durban, South Africa.....	Agency.
Leatherboard (Glazed and Unglazed).....	124	Cairo, Egypt.....	Purchase.
Hardboard.....	125	Rio de Janeiro, Brazil.....	Purchase and Agency.
Fibreboard (Double Kraft Lined).....	126	Llanelly, Carm., Wales.....	Purchase.
Pulp, Sulphite and Sulphate.....	127	New York City, New York.....	Purchase.
Metal Buttons.....	128	Glasgow, Scotland.....	Purchase.
Artificial Rubber Sheetting.....	129	Copenhagen, Denmark.....	Purchase and Agency.
Hand Tire Inflators.....	130	Sydney, Australia.....	Agency.
Ammeters.....	131	Sydney, Australia.....	Agency.
Auto Lighting and Ignition Cable.....	132	Sydney, Australia.....	Agency.
Brake Drums.....	133	Sydney, Australia.....	Agency.
Garage and Automobile Kit Jacks.....	134	Sydney, Australia.....	Agency.
Glass-making Machinery.....	135	Sydney, Australia.....	Purchase and Agency.
Charcoal.....	136	Birmingham, England.....	Purchase.
Box Shooks.....	137	Tel-Aviv, Palestine.....	Purchase.
Veneers, Curly and Flaming Birch.....	138	Rio de Janeiro, Brazil.....	Purchase and Agency.

CONDENSED LIST OF PUBLICATIONS ISSUED BY THE DEPARTMENT OF TRADE AND COMMERCE

Applications for publications in this list, together with remittances therefor, should be addressed to the King's Printer, Government Printing Bureau, Ottawa, marked "Attention Chief Clerk of Distribution."

GENERAL

Annual Report of the Department of Trade and Commerce.—A review of the salient features of Canada's export and import trade and a summary of the activities of each of its Branches, including the Commercial Intelligence Service; Foreign Tariffs Division; Dominion Bureau of Statistics; Board of Grain Commissioners; Weights and Measures Inspection Service; Electricity and Gas Inspection Services; Publicity; Government Motion Picture Bureau; Exhibition Commission; Steamship Subsidies; Precious Metals Marking Inspection; also a statement of Revenue and Expenditure. (Price 25 cents.)

Annual Report of the Board of Grain Commissioners.—The administration of the Canada Grain Act during the calendar year, including reports of such officers as the Registrar, Chief Inspector, Chief Weighmaster and General Manager of the Canadian Government Elevators, prepared in accordance with Section 23 of the Act. (Price 25 cents.)

Annual Report of Electricity and Gas Inspection Services.—A summary of the work of these services with statistics of revenue and expenditure, as also statement showing meters, electrical energy generated for export, and lists of companies registered under the Electricity Inspection Act. (Price 25 cents.)

Annual Report of Dominion Grain Research Laboratory.—Details of investigations carried out in the Laboratory relating to qualities of Canadian wheat; also investigations on inquiries to further the sale of Canadian wheat and flour; milling and baking characteristics of the last crop; various forms of co-operation with Universities, Experimental Farms and other Government institutions, producers, milling and grain organizations in Canada and abroad; investigations relating to grading system, etc. (Price 10 cents.)

Catalogue of Motion Pictures.—List of all films available in the Government Motion Picture Bureau, with title and brief description. It is in loose leaf form, in order that revision may be made from year to year. (Price 25 cents.)

List of Grain Elevators.—Details of all Grain Elevators in Western and Eastern Divisions, also licensed grain commission merchants, track buyers of grain and grain dealers, and summary of grain loading platforms in Western Division. (Price 50 cents.)

PUBLICATIONS OF THE COMMERCIAL INTELLIGENCE SERVICE

Commercial Intelligence Journal.—Published weekly in English and French, containing reports of Trade Commissioners and other commercial information. The annual subscription in Canada is \$1 and outside Canada, \$3.50.

Publications of the Commercial Intelligence Service are compiled with a view to furnishing Canadian exporters with information respecting the possibilities for the sale of Canadian goods abroad, the nature of the competition to be encountered, Customs requirements, etc., and are not intended for general distribution. The publications available include leaflets giving Invoice Requirements and a series on Points for Exporters, both covering countries included in the territories assigned to Trade Commissioners.

From time to time special reports are issued separately, which subscribers to the Commercial Intelligence Journal are entitled to receive free of charge. In all other cases their distribution is controlled by the King's Printer, who fixes a price therefor.

PUBLICATIONS OF THE DOMINION BUREAU OF STATISTICS

The following is an abbreviated list of publications of the Dominion Bureau of Statistics:—

Census of Canada.

Miscellaneous Statistics respecting the following: Business; Education; Employment; Finance (Provincial and Municipal); Justice; Transportation, including railways and tramways, express, telegraphs, telephones, water, etc.; Production, including agriculture, furs, fisheries, forestry, mining, construction and manufactures; Vital: births, deaths, marriages, divorces.

Canada, 1939. (Price 25 cents.)

Canada Year Book. (Price \$1.50.)

Report of the Dominion Statistician, Annual. (Price 10 cents.)

Trade (External), (Imports and Exports)—Annual Reports: Fiscal Year (price \$3), Calendar Year (price 50 cents); Quarterly Report (price \$2 per annum); Monthly Report (price \$1 per annum).

Trade (Internal), Prices, cost of living, capital movements, etc. (Price 50 cents.)

Monthly Review of Business Statistics. (Price \$1 per annum.)

COMMERCIAL INTELLIGENCE SERVICE

L. D. WILGRESS, *Director*

Argentina

J. A. STRONG, B. Mitre 430, Buenos Aires (1). (Territory includes Uruguay.) *Cable address, Canadian.*

Australia

Sydney: L. M. COSGRAVE. Address for letters—P.O. Box No. 3952V. Office—City Mutual Life Building, Hunter and Bligh Streets. (Territory includes the Australian Capital Territory, New South Wales, Queensland, Northern Territory and Dependencies.) *Cable address, Canadian.*

Melbourne: FREDERICK PALMER, 83 William Street, Melbourne, C.1. (Territory includes States of Victoria, South Australia, Western Australia, and Tasmania.) *Cable address, Canadian.*

Belgium and Luxemburg

YVES LAMONTAGNE, Commercial Attaché, Shell Building, 60 rue Ravenstein, Brussels. *Cable address, Canadian.*

Brazil

L. S. GLASS. Address for letters—Caixa Postal 2164, Rio de Janeiro. Office—Ed. Da. "A. Noite," Sala 802, Praca Maua. *Cable address, Canadian.*

British India

PAUL SYKES. Address for letters—P.O. Box 886, Bombay. Office—Gresham Assurance House, Mint Road, Bombay. (Territory includes Burma and Ceylon.) *Cable address, Canadian.*

British Malaya

J. L. MUTTER, Union Building, Singapore, Straits Settlements. (Territory includes the Straits Settlements, the Federated Malay States, the Unfederated Malay States, Thailand, British Borneo, and Netherlands India.) *Cable address, Canadian.*

British West Indies

Trinidad: M. B. PALMER. Address for letters—P.O. Box 125, Port of Spain. Office—Barclay's Bank Building. (Territory includes Barbados, Windward and Leeward Islands, and British Guiana.) *Cable address, Canadian.*

Jamaica: F. W. FRASER, P.O. Box 225, Kingston. Office—Canadian Bank of Commerce Chambers. (Territory includes the Bahamas and British Honduras.) *Cable address, Canadian.*

China

V. E. DUCLOS. Address for letters—P.O. Box 264, Shanghai. Office—Ewo Building, 27 The Bund, Shanghai. (Territory includes Central China and North China.) *Cable address, Canadian.*

Cuba

C. S. BISSETT. Address for letters—Apartado 1945, Havana. Office—Royal Bank of Canada Building, Calle Aguiar 367, Havana. (Territory includes Haiti, the Dominican Republic, and Puerto Rico.) *Cable address, Canadian.*

Egypt

HENRI TURCOT. Address for letters—P.O. Box 1770, Cairo. Office—22 Shari Kasr el Nil, Cairo. (Territory includes the Sudan, Palestine, Cyprus, Iraq, Syria, Iran, Greece, Turkey, Bulgaria, and Roumania.) *Cable address, Canadian.*

France

HERCULE BARRÉ, Commercial Attaché, 3 rue Scribe, Paris (9). (Territory includes French Colonies in North Africa.) *Cable address, Cancomac.*

Hongkong

P. V. McLANE. Address for letters—P.O. Box 80, Hongkong. Office—Hongkong and Shanghai Bank Building, Hongkong. (Territory includes South China, the Philippines, and Indo-China.) *Cable address, Canadian.*

Ireland

JAMES CORMACK, 66 Upper O'Connell Street, Dublin, Ireland (*cable address, Canadian*); and 36 Victoria Square, Belfast, Northern Ireland.

Italy

A. B. MUDDIMAN, Via Manzoni Nr. 5, Milan (102). (Territory includes Spain, Portugal, Gibraltar, Malta, Albania, and Yugoslavia.) *Cable address, Canadian.*

CANADIAN GOVERNMENT TRADE COMMISSIONERS—*Con.*

Japan

C. M. CROFT, Commercial Secretary. Address for letters—P.O. Box 18, Akasaka Post Office, Tokyo. Office—Canadian Legation, 16 Omotecho, 3-chome, Akasakaku, Tokyo. *Cable address, Canadian.*

Mexico

R. T. YOUNG. Address for letters—Apartado Num. 126-Bis, Mexico City. Office—Edificio Banco de Londres y Mexico, Num. 30, Mexico City. (Territory includes Guatemala, Honduras, and Salvador.) *Cable address, Canadian.*

Netherlands

J. A. LANGLEY, Commercial Attaché, Coolsingel 111b, Rotterdam. (Territory includes Switzerland.) *Cable address, Canadian.*

New Zealand

W. F. BULL. Address for letters—P.O. Box 33, Auckland. Office—Yorkshire House, Shortland Street, Auckland. (Territory includes Fiji and Western Samoa.) *Cable address, Canadian.*

Norway

RICHARD GREW, Stortingsgaten 28, Oslo. (Territory includes Sweden, Denmark, and Finland.) *Cable address, Canadian.*

Panama

H. W. BRIGHTON. Address for letters—P.O. Box 222, Panama City. Office—98 Central Avenue, Panama City. (Territory includes the Canal Zone, Venezuela, Colombia, Nicaragua, and Costa Rica.) *Cable address, Canadian.*

Peru

M. J. VECHSLER. Address for letters—Casilla 1212, Lima. Office—Edificio Boza, Carabaya 831, Plaza San Martin, Lima. (Territory includes Bolivia, Ecuador, and Chile.) *Cable address, Canadian.*

South Africa

Cape Town: J. C. MACGILLIVRAY. Address for letters—P.O. Box 683. Office—New South African Mutual Buildings, 17 Parliament Street. (Territory includes Cape Province and Southwest Africa, Natal, Tanganyika, Kenya, Uganda, Mauritius, and Madagascar.) *Cable address, Cantracom.*

Johannesburg: J. H. ENGLISH. Address for letters—P.O. Box 715. Office—Prudential Assurance Building, 92 Fox Street. (Territory includes Transvaal, Orange Free State, the Rhodesias, Portuguese East Africa, Mozambique, and Nyasaland.) *Cable address, Cantracom.*

United Kingdom

London: FREDERIC HUDD. Chief Trade Commissioner in the United Kingdom, Canada House, Trafalgar Square, S.W.1. *Cable address, Sleighing, London.*

London: H. A. SCOTT, Trade Commissioner, Canada House, Trafalgar Square, S.W.1. *Cable address, Sleighing, London.*

London: G. R. HEASMAN, Trade Commissioner, Canada House, Trafalgar Square, S.W.1. (Territory includes Home Counties, Southeastern Counties, and East Anglia; also British West Africa.) *Cable address, Sleighing, London.*

London: W. B. GORNALL, Fruit Trade Commissioner, Aldine House, Bedford Street, Strand, W.C.2. *Cable address, Canfrucom.* (Territory—for fresh fruit only—includes United Kingdom, Norway, Denmark, Sweden, France, Holland, and Belgium).

London: G. R. PATERSON, ANIMAL PRODUCTS TRADE COMMISSIONER, Canada House, Trafalgar Square, S.W.1. *Cable address, Agrilson.*

Liverpool: A. E. BRYAN, Martins Bank Building, Water Street. (Territory includes North of England, Lincolnshire, North Midlands, and North Wales.) *Cable address, Canadian.*

Bristol: E. L. MCCOLL, Northcliffe House, Colston Avenue. (Territory includes West of England, South Wales, and South Midlands.) *Cable address, Canadian.*

Glasgow: G. B. JOHNSON, 200 St. Vincent Street. (Territory covers Scotland.) *Cable address, Cantracom.*

United States

New York City: D. S. COLE, British Empire Building, Rockefeller Center. (Territory includes Bermuda.) *Cable address, Cantracom.*

Chicago: W. J. RIDDIFORD, Tribune Tower, 435 North Michigan Avenue. *Cable address, Canadian.*

Los Angeles: B. C. BUTLER, Associated Realty Building, 510 West Sixth Street. *Cable address, Canadian.*

Note.—Bentley's Second Phrase Code is used by Canadian Trade Commissioners.

67-582
Cen
J

COMMERCIAL INTELLIGENCE JOURNAL

Vol. LXII

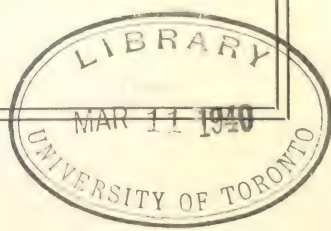
Ottawa, March 9, 1940

No. 1884



Workmen's Houses in Cape Town, South Africa, roofed with
Canadian Cedar Shingles

ISSUED BY AUTHORITY OF
THE HON. W. D. EULER, MINISTER OF TRADE AND COMMERCE
JAMES G. PARMELEE, DEPUTY MINISTER



CONTENTS

	Page
London Market for Canned Tomatoes	359
Paper Control in the United Kingdom	361
Timber Trade Control in the United Kingdom.....	364
Prices for Peas and Beans in the United Kingdom.....	369
Prices for Certain Cereals in the United Kingdom	369
Summary of the Trade of Canada: January	370
Points for Exporters to South Africa.....	371
Wartime Trade Regulations in British West Africa.....	380
Trade of the Gold Coast in 1938.....	383
Second Official Estimate of Argentine Grain Production.....	387
Trade of the Dominican Republic in 1938.....	387
Tariff Changes and Trade Regulations	393
Exchange Conditions in Bulgaria	394
Foreign Exchange Quotations	395
Trade Inquiries for Canadian Products.....	396
Commercial Intelligence Service	397

Issued Every Saturday by the Department of Trade and Commerce

Vol. LXII Ottawa, March 9, 1940 No. 1884

Canada's increased exports in 1939 were due to the additional demand created by the war, and to shippers in Italy at the outbreak of war demanding the rewriting of their contracts on a dollar basis. This resulted in a severe decline of imports from that country during September and October. It was not until late November and December that large imports from Italy were again resumed.

An outstanding fact disclosed by the above statistics is the tremendous drop in imports from Spain. This situation should be borne in mind when prospects for Canadian tomatoes in 1940 are being considered later on in this report.

PRICES

The price of "choice" quality tomatoes at the beginning of 1939 ranged from 3s. 3d. to 3s. 8d., with prices for the new pack in April at 3s. 9d. per dozen, all c.i.f. United Kingdom ports. Prices rose at the outbreak of war, due largely to increased freight rates and insurance charges, to 6s. 1d. per dozen c.i.f. Italian tomatoes throughout the year were higher in price on a c.i.f. basis for a tin of similar size. Importers are expecting lower Canadian prices during 1940, ranging from 5s. 6d. to 5s. 9d. per dozen for 2½'s c.i.f.

PROSPECTS FOR 1940

A survey of the market indicates that present stocks are low and that the demand for canned tomatoes, "choice" quality, in 1940 will be good. The army demand will be considerable; also the requirements of the civilian population, due to the curtailment of the import of other kinds of canned vegetables. Furthermore, "standard" grade is also expected to find a market.

Importers advise that they are finding an increasing sale for tomatoes in the southern counties. Probably the general evacuation to the country has resulted in a market for canned tomatoes in towns and villages where no previous demand existed.

In favour of Canadian canned tomatoes in particular during 1940 will be the stated desire of United Kingdom importers to trade at this time with Canada rather than with foreign countries, and the fact that many United Kingdom importers are annoyed with the attitude of Italian shippers in having demanded at the outbreak of war the rewriting of their contracts in dollar exchange. This attitude has since been somewhat modified.

In addition there is a growing demand for the Canadian type of tomato, judging from the continually increasing imports from Canada. In this connection, however, it is as well to bear in mind that the Abyssinian conflict and then the Spanish Civil War have both been factors in helping to introduce the Canadian product. It would be wrong to state that the Canadian tomato had reached a point where it was now generally favoured. In fact the reverse is still true. While the flavour is considered excellent, there remains very great objection to the lack of whole tomatoes in the cans. The Continental type of tomato, with its firm texture, lends itself so admirably to the general method employed in cooking tomatoes in the United Kingdom that Canada cannot hope to obtain any more than a fair share of the United Kingdom market with the present type of tomato.

In considering the competition for this year's anticipated good demand allowance must be made for the possibility that Spain, which used to be a large supplier, will again be a source of supply during the present year. Merchants are also looking to increased imports from French and Spanish Morocco during 1940, and Italy will continue her efforts to recapture still further the United Kingdom market. Further, although no difficulty has been reported in respect to deliveries from Canada since the outbreak of war, difficulties might arise to make it easier to obtain supplies from Spain and Italy. An unknown factor is the attitude of the United Kingdom Government in regard to imports of canned tomatoes. All information up to the present time, however, indicates that the Government is not likely to restrict them during the coming year.

In conclusion, therefore, in the belief that imports are not likely to be restricted, that the demand will be good, and that the Canadian product will be favoured as much as possible, Canadian farmers and canners of tomatoes should look forward to a successful export season this year.

TOMATO PUREE

There are few food commodities at the present time that would find a better market in the United Kingdom than Canadian tomato puree, if Canadian canning companies would make a serious effort to equal the quality, colour and higher concentration of the Continental product. The United Kingdom market definitely prefers a puree of 28 to 30 per cent concentration as compared with Canada's usually highest concentration of 18 to 20 per cent, and more often 12 to 14 per cent or lower. The trade, however, has expressed the opinion that importers would accept from Canada a concentration of 20 to 22 per cent if it were obtainable at a competitive price and of a quality equal to the present sources of supply. Prospects for 1940, therefore, are excellent, and it is hoped that Canadian exporters will increase their sales in the United Kingdom during the coming year, especially as tomato ketchup is no longer permitted entry and it can be reasonably assumed that manufacturers will be anxious to import tomato puree in increasing quantities for the manufacture of tomato ketchup locally.

TOMATO JUICE

Sales of tomato juice appear to be slow and several of the importers hold out no hope of making any further headway until after the war.

COPPER CONTENT

Canadian canners are reminded at this time that the copper content in tomato products, effective January 1 of this year, must not exceed 50 parts per million dry-weight solids.

PAPER CONTROL IN THE UNITED KINGDOM

G. R. HEASMAN, CANADIAN TRADE COMMISSIONER

London, February 14, 1940.—In a report on the control of paper in the United Kingdom, published in *Commercial Intelligence Journal* No. 1871 (December 9, 1939), page 1065, it was forecast that it would only be a matter of time before imports of paper were controlled. Up to the date of that report the Paper Control had been concerned with the domestic price situation in the United Kingdom. The first measure for the control of imports was the licensing of imports of raw material, such as pulp, in November.

A further step in control came in December, when the Ministry of Supply issued Control of Paper (No. 6) Order. This Order is mainly of interest to the paper trade in the United Kingdom. The main effect of the Order was to prohibit the sale of paper in the United Kingdom being made conditional upon the disposal of waste paper, to enable the Minister to authorize by special or general direction an importation charge in addition to the price of imported paper, to provide a maximum price for newsprint in reels sold by non-producers, and to revise a schedule of maximum prices at which wallboard could be sold.

STRAWBOARD

Effective January 22, the Board of Trade issued an order prohibiting the importation, except under licence, of strawboard (not including corrugated board) lined or unlined.

The Ministry of Supply at this time also intimated that, in order to maintain essential paper supplies, paper mills in the United Kingdom might be compelled in future to use increasing quantities of home-produced raw materials such as rags, old ropes, etc. In view of the fact that there had hitherto been a considerable export trade in these commodities, waste merchants were accordingly warned that it would be necessary to ensure that the requirements of the home paper industry had been fulfilled before undertaking export commitments.

RATIONING

Early in February the Minister of Supply announced that a scheme for rationing paper in the United Kingdom was under consideration, and on February 12 it came into force. This is known as Control of Paper (No. 8) Order. Under this Order all paper produced in the United Kingdom is to be rationed in order to conserve shipping and foreign exchange in respect of imports of paper-making materials and as a contribution to the national effort in prosecuting the war. This Order provides that no paper manufacturer shall, between March 3 and June 1, 1940, deliver to any person more than 60 per cent of the amount of paper delivered in a similar period in 1939, except by special permission or under a licence issued by the Ministry of Supply. This restriction also applies to deliveries by producers to their own converting plants. The Order does not as yet affect deliveries as between consumer and retailer or between retailer and wholesaler. It does not apply to paper exported or paper delivered and invoiced to any government department. The effect of the Order will be to limit drastically the amount of paper used in packaging and wrapping, and it is expected that in many cases the high standard of packaging and wrapping hitherto observed will have to be very much reduced. In regard to writing paper the Government recently announced that letters now must be written on both sides. Newspapers point out that they have already rationed themselves in proportion to peace-time requirements, varying from 50 per cent to 60 per cent. Nothing will be done to interfere with export trade provided such a policy remains consistent with maintaining minimum requirements for the domestic market.

For the purpose of this Order, paper is defined as including all descriptions of paper, paper board, pulp board, wallboard and fibre board, which are produced wholly or mainly either from vegetable fibres or from pulp thereof, or from both fibres and pulp and which have not been converted.

IMPORTS PLACED UNDER LICENCE

At the same time as the above Order was issued one of primary importance to Canada was announced: Import of Goods Prohibition Order No. 5. Under this Order the following were prohibited entry into the United Kingdom except under licence: (1) paper and board made from pulp, whether coated or otherwise treated in any manner or not and whether consisting of more than one layer or not; (2) articles made wholly or mainly from paper or from board made from paper or pulp, namely, composite paper and composite paper boards, corrugated paper and board, boxes, bags, cartons, cases and other similar containers.

The above Order comes into operation on March 3, but goods which are proved to the satisfaction of the Customs authorities to have been despatched to the United Kingdom before the Order came into force will not require a licence. "Despatched to the United Kingdom" means from the mill, and Canadian exporters would be well advised to see that a copy of the railway bill of lading or shipping note, properly dated, accompanies the documents covering all orders despatched prior to March 3.

Restrictions on paper imports in the last war were introduced in March, 1916, when imports were reduced to two-thirds, while further restrictions were made later.

With the import of raw materials, paper and paper products now under licence, and rationing of home-made paper introduced, it will be possible to exercise a rigid control over the whole paper industry and trade. It will enable the Paper Control to regulate the supply of paper in such a way that essential requirements shall be adequately met and the use of imported paper regulated as far as possible along the lines of the home-produced paper, as laid down in the Control of Paper (No. 8) Order, and the import of paper for non-essential purposes limited for exchange and other reasons.

It is not anticipated that importers will experience any difficulty in obtaining licences for such paper as kraft liner-board or folding box-board, unbleached. The import of kraft wrapping paper will no doubt be allowed. Imports from Canada will probably be governed largely by the attitude of the United Kingdom and Canadian kraft paper manufacturers.

On the other hand, the importing of containers, bags, high-grade papers and bleached folding box-board may be difficult. In other words, an importer applying for a licence to import these products would be likely to experience more difficulty in obtaining a licence than for the other products mentioned above. It is pointed out in the Paper Control Order that applications for licences will in all cases be considered on their merits, having regard to the ultimate purpose for which the paper, etc., is required and also no doubt as to whether or not it is possible to obtain the required quantity from United Kingdom producers. A low-priced product would receive preference over a high-priced article, such as unbleached over bleached folding board, as referred to above. In view of the fact that rationing has been placed on a 60 per cent basis, this may possibly be an indication of the extent of the control of imports, but it is felt that imports will eventually be curtailed to well below this percentage, amounting as regards some grades of paper to complete prohibition.

It is believed that those responsible for issuing the import licences will not be unreasonable in granting import licences for at least some tonnage to several old Canadian paper exporters. It is hoped the authorities will not be unmindful of the large volume of orders at present on the books of several Canadian paper mills, which have not been despatched owing to their inability in many cases to obtain shipping space.

In the previous report on the paper situation in the United Kingdom, it was suggested that United Kingdom mills would probably continue to draw their supplies of pulp chiefly from the Scandinavian countries, owing to the shorter shipping distance. The situation has now become more uncertain, with the heavy toll of neutral shipping. If neutral shipping should experience difficulty in delivering pulp to the United Kingdom paper mills, then, for several reasons, it might be preferable to continue to import paper from Canada rather than the raw material.

The latter remarks apply especially to newsprint, which is now also under licence. If English mills are not able to supply, even with the help of Newfoundland, the United Kingdom's minimum requirements of newsprint, then imports from Canada will continue, although on a reduced scale. It is therefore probable that, so far as newsprint is concerned, licences will be issued from time to time for such tonnage as the country may need. An import licence at the present time is valid in any case for only three months.

To supplement the import of raw material a great national effort is being made to salvage a portion of the hundreds of thousands of tons of waste paper lost annually.

TIMBER TRADE CONTROL IN THE UNITED KINGDOM

L. H. AUSMAN, ASSISTANT TRADE COMMISSIONER

Bristol, February 5, 1940.—A report on this subject in *Commercial Intelligence Journal* No. 1867 (November 11, 1939) dealt with the formation and establishment in Bristol of the Timber Control Department of the Ministry of Supply. At the time that report was written, five orders had been published dealing with various phases of the control of timber. Since then three more orders have been issued. The latter may be summarized as follows:—

No. 6 Order. Further limits the amount of timber or boxboards which can be bought for consumption without a licence, as set out in No. 5 Order, from £20 per month to £5 per month.

No. 7 Order. Revokes No. 4 Order and makes the granting of import licences a little clearer. It stipulates also that consumers holding stocks cannot use any but limited quantities of their own timber, unless for certain specified works of national importance, except under licence from the Timber Control.

No. 8 Order. Covers supplementary schedules of maximum prices for imported softwood, imported pitwood and plywood. The new schedules do not involve any increase in prices, but make provision for maximum prices for items not shown in previous Timber Control Orders. However, in a recent statement to the press the Controller intimated that the maximum prices would be increased very shortly.

Orders 6 and 7 were effective on January 1, and Order 8 on January 31, 1940.

REORGANIZATION OF THE TIMBER CONTROL DEPARTMENT

There have also been certain alterations in the Timber Control organization as set out in the previous report. The Forestry Commission is now functioning independently of, but in close liaison with, the Control, and has undertaken to be responsible for the stimulation of the home production of timber. Department II of the Timber Control (Home-grown Timber) has now ceased to exist, but administrative matters connected with the home-grown trade will continue to be dealt with by the Control.

NEW IMPORT LICENSING REGULATIONS

The section of the Board of Trade Import Prohibition (No. 1) Order, dated September 5, dealing with timber, and to which reference was made in the earlier report on this subject, has been amended as from January 1, 1940, by Import Prohibition (No. 12) Order dated December 21, 1939. The new order was summarized in *Commercial Intelligence Journal* No. 1876 (January 13, 1940), page 70. Briefly, it states that the importation of all timber and wood products is prohibited except under licence issued by the Import Licensing Department of the Board of Trade.

For licensing purposes the goods listed in the schedule attached to the Notice to Importers fall into two groups. For the first group licences will be issued by the Board of Trade on the recommendation of the Timber Control, to whom application for imports must be made. This group consists mainly of timber of which the Control is the sole buyer, and only in exceptional cases will licences be issued to individual importers. The second group consists of manufactured or semi-manufactured wood products, and application for the importation of these must be made direct to the Board of Trade without reference to the Timber Control. In all but one case, however, licences will

not be issued for items in this group until further notice. The groups are as follows:—

FIRST GROUP—

- I.—Wood and timber hewn, sawn, planed, dressed, tongued, grooved, beaded, v-jointed, rebated, chamfered, centre beaded, centre v-jointed, round edged, or similarly prepared (other than roundwood logs of pine, spruce and aspen in the natural state or free from bark or bast, not hewn or sawn except cross-cut at the ends, in lengths not exceeding 50 inches, the top diameter not being more than 12 inches).
- II.—Pitwood, pitprops and mining timber of all descriptions.
- III.—Builders' woodwork.
- IV.—Boxboards, whether in sets or not, and staves.
- V.—Boxes, barrels, casks and packing cases, and parts thereof, other than such articles in use at the time of importation as carriers of goods.
- VI.—Plywood, laminboard, blockboard and batten board.
- VII.—Veneers.

SECOND GROUP—

- VIII.—*Furniture and parts thereof.
- IX.—*Beadings and mouldings.
- X.—Trunk and suitcase hoops, being battens of wood, bent to shape, whether rounded or otherwise shaped at the ends or not.
- XI.—*Articles of a kind used for domestic purposes.
- XII.—*Wooden heels.

* Until further notice no licences will be issued for categories of goods against which there is an asterisk.

The effect of this order is to place more fully within the control of the Ministry of Supply the importation of the timber and wood products mentioned in the first group.

MAINTENANCE OF REGULAR TRADE CHANNELS

Although the Timber Control is the sole buyer of most classes of timber and boxboards, it is the intention to maintain as far as possible the normal channels of trade. To this end offers are made to the Control by brokers representing overseas timber suppliers, while consumer requirements through the merchants are met by application to the Control for the release of stocks. The distribution to the merchants of national stocks of timber, which the Control is now building up, will shortly be in operation through a quota system. Rationing of supplies is now carried out to the extent of seeing that requirements of national importance receive prior consideration.

It is natural that in the initial stages of so far-reaching a scheme some criticism should be expressed. The original difficulties, however, are gradually being overcome as experience is gained. It is inevitable that some traders will be more affected than others. For the majority of agents the position would be a serious one were it not for the pooling of commission earned on sales to the Government. Some sources of wood supply are completely shut off and will probably remain so for the duration of the war, but the trade with others has received a tremendous impetus. While some firms of agents have done remarkably fine business during the last five months, others have ceased to function altogether; but all will share in the benefits. Many firms who have hitherto done nothing, or practically nothing, with the Controller, have greater hopes of adding their contribution to the pool in the future.

Two internal non-trading organizations known as the Hardwood Agents' Pool and the Softwood Agents' Pool have been formed for the protection of the interests of the brokers, or agents, under the abnormal trading conditions which now operate.

SOLE AGENTS

Soon after the Timber Control Department was set up it was found necessary, in order to prevent confusion, to stipulate that only one broker should offer timber on behalf of any overseas shipper. In effect, this meant that where a Canadian exporter, for example, had more than one United Kingdom agent, some arrangement had to be made for one of these agents to handle the business exclusively, or for the formation of a pool so that each might share in the business placed with the Control.

SPECIAL POOLING ARRANGEMENTS

In the cases of pitprops, pulpwood and box shooks, certain factors made it advisable for the agents concerned to pool their activities in organizations which, with the approval of the Timber Control, act as sole importers of their respective commodities.

PITPROPS AND PULPWOOD

The principal pitprop brokers have formed two new companies to assist in the development of this trade with North America. The parent one with headquarters in London is the direct contact with the Timber Control. A subsidiary in Canada has been organized for the purpose of obtaining offers of Canadian props for submission to the Control who are the actual buyers. These firms are known respectively as Associated Pitwood Agents Ltd., and Pitwood Export Ltd.* The Timber Control assumed all uncompleted contracts for Canadian pitprops on the outbreak of the war, and has subsequently made new contracts, some of which were filled before the end of 1939 but the majority of which are for the 1940 season.

Recently the Timber Controller stated that pitprop supplies were assured, in spite of the fact that they represented the most serious problem with which the Control had to deal. While the manufacture and consumption of timber during the war could be cut down, he said, the output of coal had to be maintained, and even increased. He added that something could be done towards increasing the use of steel props, but even so the demand for pitwood would tend to increase.

With regard to home production, the Forestry Commission has undertaken to secure a very large output of pitprops, and a number of expert woods operatives have been brought over from Newfoundland to assist in this work. It is anticipated that the domestic production will total 1,000,000 tons this year.

Due to the difficulty of securing shipments from Baltic countries, Eastern Canada has become an important source of supply of pitprops. It is hoped that the quality and finish of the Canadian props delivered under current contracts will be such that, despite the normal comparatively higher transportation cost, this newly developed trade may be continued after the close of hostilities. Supplies of pitprops are also being obtained from Newfoundland, Norway, Sweden, Spain, Ireland, and Southern Europe, and practically all the South Wales requirements are being met by French and Portuguese pitwood. Total imports from the latter sources during a recent twelve-month period amounted to a million tons (approximately 200,000 fathoms).

In co-operation with the Paper Control the Pitprop Section of the Timber Control will also be empowered to purchase such supplies of pulpwood as may be required, and offers made to Messrs. Pitwood Export Ltd. will be submitted to the Control for consideration. Other requirements of softwood round timber may be bought for such purposes as the manufacture of wood wool, etc., when adequate shipping space is available.

* Address: 4 Imperial Block, Moncton, N.B.

BOX SHOOKS

The British Boxboard Agency Ltd., Bath, has been formed by a group of timber brokers interested in the boxboard trade. This organization acts in close co-operation with the Timber Control as sole agents for and importers of box shocks. Consumers who require supplies either from domestic manufacturers or from overseas shippers must first obtain a permit from the Timber Control. They may then present it to a home manufacturer along with their order, or if the shocks are to be imported the order must be placed with the British Boxboard Agency. A representative of the Agency is now in Canada investigating suitable sources of supply.

SHIPPING

One of the most serious difficulties with which the Timber Control has to contend is the shortage of shipping space required for bringing timber from Canada, and particularly from the Pacific Coast. Every effort is being made to obtain the necessary tonnage, but the ratio of vessels to unshipped timber is still rather low at British Columbia ports.

In a recent statement the Controller said that the policy of his Department was not to call for a single ship or a single ton of shipping more than was absolutely necessary for supplying the essential requirements of the country. Pointing out that the requirements of timber from overseas sources for the prosecution of the war were very large, he stated that the Control had already purchased wood to the value of over £17,000,000. To give some indication of the amount of timber required by the Service Departments, during this year 40,000,000 feet would be used for trucks alone, in addition to the quantity required for 1,000,000 chairs, 500,000 beds and 400,000 tables. For bacon, only one of the many supplies to be sent to the Expeditionary Force, 1,000,000 packing cases will be needed.

INSURANCE

It has been announced that from the beginning of the year all timber shipped for the account of the Timber Control will be covered under a Government scheme of insurance. Canadian Douglas fir, for which the Control is responsible for the provision of ships, has always been insured by the British Government, but the war insurance risk has hitherto been a troublesome point in negotiations for Scandinavian wood. In future, shippers will be able to eliminate this item from their calculations.

TIMBER ECONOMY

In contrast with the efforts which are made in timber-producing countries and formerly by the Timber Development Association in the United Kingdom to stimulate the use of wood for various purposes, the Promotion of Economy Branch of the Timber Control is busily engaged in seeing that no waste of wood occurs, and that substitutes are used wherever possible. There are two aspects of this work: first by the economical use of wood and by the substitution of one species for another or of some other material in its place to safeguard supplies of timber required to be imported, and secondly, to conserve foreign exchange by the use wherever possible of home-grown timbers and other structural materials.

The Economy Branch, as part of its organization, has a number of inspectors working in co-operation with the various area controllers. The specifications of Government departments and applications for licences to acquire timber made by firms engaged on essential work are scrutinized, and amendments

are made where it is possible to reduce the quantity of timber required. It is admitted that the quality of the finished article may be inferior to its previous standard, but under wartime conditions it is felt that this situation must be tolerated. The task of the inspectors is to see that the most economical dimensions are used, and that the quantity and quality of wood is such that the purpose is served without undue pressure on overseas supplies.

A few of the economies effected will indicate some phases of the activity of the Control. Packages required for the distribution of food and other supplies are recommended to be in the form of crates rather than cases: the change will bring a saving of $33\frac{1}{3}$ per cent in wood needed for 10,000,000 of these ordered for army use. Small arms ammunition and cordite boxes are to be made of a lighter and less permanent construction than formerly. An order for 1,000,000 benches with thick, solid seats and tops has been scrapped in favour of slats of timber with spaces between, effecting a reduction of 60 per cent in the wood used. Tent poles and broom handles made for the Government are to be square instead of round. In the construction of military hutments the use of timber is being confined almost entirely to doors and windows, such substitutes as brick, concrete slabbing and coke breeze taking its place elsewhere. A new concrete shuttering system has been developed utilizing pre-cast concrete slabs supported by standardized timber props which can be used many times over.

Considered in conjunction with the efforts made to salvage wood which has already served one or more purposes, these few illustrations will indicate the nature of the steps being taken to promote economy in the use of timber. The savings so far effected, amounting to about £2,000,000 in value, according to Control officials, will reduce the consumption of imported softwoods by 250,000 tons and enable between 350,000 and 400,000 tons deadweight of shipping to be diverted to the carriage of other vital commodities.

HOME-GROWN TIMBER SUPPLIES

In view of the shipping difficulties it is appreciated that one of the first tasks of the Control was to exploit the native timber resources. This is being done in close collaboration with the Forestry Commission. In order to stimulate production, the Control licensing authorities are prepared to grant licences to consumers to buy and use home-grown timbers much more freely than imported wood.

CANADA AS A SOURCE OF SUPPLY

Although Baltic countries are a very convenient source of supply of softwoods in peace time, the United Kingdom has in recent years built up a considerable trade with Canada, particularly since the Dominion has enjoyed a 10 per cent tariff preference. Before the last war, Canadian supplies were rather neglected, but now it is possible for the Control authorities to depend largely on Canada for most of the softwoods required (as well as on the other dominions for both hardwoods and softwoods of other species). The principal problem is getting the timber to this country.

After more than five months of control it is recognized by the trade that, although Swedish, Norwegian, French and south European wood is receiving the attention of the authorities, Canadian lumber will continue to play the leading role so far as overseas supplies are concerned.

PRICES FOR PEAS AND BEANS IN THE UNITED KINGDOM

H. L. BROWN, ASSISTANT TRADE COMMISSIONER

London, February 12, 1940.—With reference to the report on the market position of dry peas and beans under war conditions in the United Kingdom, published in *Commercial Intelligence Journal* No. 1880 (February 10, 1940), the Cereals Control Board in the United Kingdom issued under date February 2 a schedule of selling prices c.i.f. United Kingdom ports, on a variety of commodities including pulse. The prices on peas and beans, which include customs duty where payable, are as follows:—

Peas (per ton of 2,240 lbs., c.i.f.).—Karachi white, £20; Calcutta white, £20; Bombay white, £20; Japanese green, £37 10s. 0d.; Tasmanian blue "A," £29 17s. 6d.; New Zealand, No. 1 blue, £29 17s. 6d., and No. 1 white, £27 5s. 0d.; Dutch marrowfat, £50 10s. 0d.; Dutch blue, handpicked, £47 10s. 0d., and Imperial, £47 10s. 0d.; Belgian marrowfat, £50 10s. 0d.; Roumanian Victoria, £27 15s. 0d.; Roumanian blue, handpicked, £33 10s. 0d.; Roumanian white, £22, and green, £33 10s. 0d.; Yugoslavian green, £34 5s. 0d.; Chilean dun, £15, and petit pois, £26; China white, h.p.s., £14 5s. 0d.; Moroccan green, blue and white, each £16. (Canadian peas are not covered because they are not normally imported.)

Beans (per ton of 2,240 lbs., c.i.f.).—Canada pea beans, £31 10s. 0d.; Persian white haricots, £28 5s. 0d.; Roumanian haricots, £33; Rangoon, handpicked, £17 10s. 0d.; Japanese Ohtanashi, £33 10s. 0d.; Chilean rice beans, £32 5s. 0d.; South African haricots, £29 5s. 0d., white, £29 5s. 0d., and small white haricots, £29 5s. 0d.

To arrive at the approximate prices f.o.b. home ports, it will not only be necessary to allow for freight and insurance costs, but also for agent's commission and any other expenses.

PRICES FOR CERTAIN CEREALS IN THE UNITED KINGDOM

H. L. BROWN, ASSISTANT TRADE COMMISSIONER

London, February 14, 1940.—With further reference to reports on this subject published in Nos. 1864 and 1872 (October 21 and December 16, 1939, respectively) of the *Commercial Intelligence Journal*, the United Kingdom Cereals Control Board issued, under date February 2, a revised schedule of c.i.f. selling prices in the United Kingdom for certain cereals and cereal products not subject to the provisions of the Feeding Stuffs (Maximum Prices) Order, 1940. This order was the subject of a report published in *Commercial Intelligence Journal* No. 1879 (February 3, 1940), under the title Revised Prices for Feedstuffs in the United Kingdom.

The following selling prices on the basis of c.i.f. United Kingdom ports will indicate the trend. These prices include customs duty where payable:—

Barley (per 400 lbs.).—No. 2 6-row Canadian, 40s.; No. 3 6-row Canadian, 39s. 6d.; No. 1 Feed Canadian, 39s.; Moroccan, 33s.; Iraquian, 33s.; Plate, 33s.; Syrian, 33s.; Australian Chevalier (per 448 lbs.), 50s.

Oats (per 320 lbs.).—Canadian, 36s.; all other grades, 31s.

Oat Products (per 280 lbs.).—Imported rolled oats, 58s. 6d.; imported oatmeal, c.i.f. Glasgow or Leith, 54s. 6d., c.i.f. other United Kingdom ports, 57s. 6d.

Wheat offals (for human consumption, per ton of 2,240 lbs.).—Imported bran, pollards and middlings, £8 10s. 0d.

In computing approximate prices f.o.b. Canadian ports, the exporter will make due allowance for agent's commission, freight and insurance and other expenses.

SUMMARY OF THE TRADE OF CANADA: MONTH OF JANUARY, AND TWELVE MONTHS ENDING JANUARY, 1940 (EXCLUDING GOLD)

(Compiled by External Trade Branch, Dominion Bureau of Statistics)

Main Groups	Month of January, 1940			Twelve Months ending January, 1940		
	Total Imports	From United Kingdom	From United States	Total Imports	From United Kingdom	From United States
<i>Imports for Consumption</i>						
Agricultural and Vegetable Products.....	\$ 11,162,443	\$ 790,339	\$ 3,727,942	\$ 131,511,903	\$ 12,978,080	\$ 45,965,022
Animals and Animal Products.....	4,984,334	356,272	3,184,294	35,467,107	4,377,156	19,052,865
Fibres, Textiles and Textile Products.....	12,587,289	4,224,229	6,557,879	106,443,369	42,044,413	45,711,377
Wood, Wood Products and Paper.....	2,889,166	192,681	2,548,451	34,171,772	3,038,002	29,148,807
Iron and its Products.....	17,109,526	1,468,517	15,204,233	190,401,571	19,832,686	164,570,038
Non-Ferrous Metals and their Products.....	3,925,153	452,015	2,957,295	43,692,500	5,290,759	30,478,369
Non-Metallic Minerals and their Products.....	9,950,139	739,345	8,315,387	135,434,696	12,276,434	108,175,734
Chemicals and Allied Products.....	3,872,198	812,469	2,612,874	45,336,016	7,791,579	31,858,481
Miscellaneous Commodities.....	4,623,897	905,417	3,467,248	56,047,971	9,292,997	41,629,803
Total Imports, 1940.....	71,104,145	9,941,284	48,575,603	778,416,905	116,832,106	516,690,526
1939.....	43,742,684	7,116,587	28,783,543	671,474,203	117,545,048	421,184,133
1938.....	49,719,835	8,863,969	32,329,977	806,733,542	146,813,576	489,658,015
<i>Exports (Canadian Produce)</i>						
Agricultural and Vegetable Products.....	\$ 20,561,504	\$ 14,400,654	\$ 2,349,480	\$ 227,605,763	\$ 101,363,565	\$ 80,241,386
Animals and Animal Products.....	15,462,924	9,631,848	4,269,229	133,134,837	75,761,642	43,164,537
Fibres, Textiles and Textile Products.....	1,351,557	286,551	142,370	14,800,100	3,488,239	2,329,070
Wood, Wood Products and Paper.....	22,448,955	3,533,377	13,658,591	247,920,609	44,775,381	167,614,967
Iron and its Products.....	6,132,234	1,821,700	301,885	63,091,055	16,719,417	4,879,878
Non-Ferrous Metals and their Products.....	17,407,724	8,131,415	4,884,286	186,173,361	85,416,750	50,630,806
Non-Metallic Minerals and their Products.....	2,602,993	370,504	1,551,502	30,297,211	3,750,774	16,748,728
Chemicals and Allied Products.....	2,630,917	786,617	1,022,673	25,117,667	6,068,314	9,904,689
Miscellaneous Commodities.....	1,501,325	592,762	628,648	16,802,882	4,756,334	8,356,023
Totals, 1940.....	90,100,133	39,555,428	28,808,664	944,943,485	342,101,016	383,870,084
1939.....	70,082,752	25,553,654	25,330,627	837,366,658	331,671,841	275,748,394
1938.....	70,300,011	33,570,498	20,043,422	991,004,217	405,365,678	351,920,474
<i>Exports (Foreign Produce)</i>						
Totals, 1940.....	753,704	34,442	656,804	11,022,212	746,112	9,427,529
1939.....	727,101	75,523	590,826	10,614,978	1,681,078	7,909,894
1938.....	1,212,339	130,135	977,669	14,793,133	1,239,452	12,330,186
<i>Excess of Imports (i) or all Exports (e)</i>						
Totals, 1940.....	+10,749,602	+20,648,586	-19,110,135	+177,548,702	+226,015,022	-123,392,913
1939.....	+27,067,169	+18,512,590	-2,892,090	+176,507,433	+215,807,871	-137,525,845
1938.....	+21,702,515	+24,836,664	-11,308,836	+199,063,808	+259,791,554	-125,407,355

POINTS FOR EXPORTERS TO SOUTH AFRICA

J. C. MACGILLIVRAY AND J. H. ENGLISH, CANADIAN TRADE COMMISSIONERS

Cape Town, January 4, 1940.—Among the overseas' buyers of Canadian goods, the Union of South Africa has during recent years become of increasing importance. In 1932 the total value of Canadian exports to this country was slightly below four and a half million dollars. By 1934 this figure had increased to over eleven and a half million dollars, while in 1938 it approached the sixteen million dollar mark. Since the outbreak of war and the consequent imposition of restrictions on exports from Europe, the openings for Canadian trade have been further extended and an opportunity now exists for exporters to augment greatly their business with South Africa.

LOCATION AND TOPOGRAPHY

The total area of the Union, exclusive of the Territory of South West Africa, which is held under mandate from the League of Nations, is 472,550 square miles. Including South West Africa, the area is 795,000 square miles in comparison with Canada's total of 3,694,863 square miles.

Lying in the Southern Hemisphere at the extremity of the African Continent, the northern fringe of the Union, which follows the course of the Limpopo River, extends into the tropics. Otherwise the Union lies within the temperate zone. From its most northerly point the distance to the Cape of Good Hope in a southeasterly direction is approximately 1,100 miles. Its greatest extent from east to west is about 1,000 miles. If superimposed on the map of North America and at the same distance from the equator, the Union would reach from Cuba as far north as the Carolinas.

The irregularly shaped northern frontier is shared with Mozambique (Portuguese East Africa), Southern Rhodesia, Bechuanaland Protectorate, and South West Africa, the northern limits of which, in turn, adjoin the Portuguese Colony of Angola. On the west the Union is bounded by the Atlantic, and on the south and east by the Indian Ocean.

Topographically South Africa consists of an interior plateau and a diversified tract of country lying between the plateau and the ocean. Some 40 per cent of the area is over 4,000 feet above sea-level, and those parts which are below 1,500 feet are practically confined to the coastal strip and to part of the Limpopo Valley. The interior plateau, which is sub-divided into several well-defined regions, consists for the greater part of wide undulating plains broken by flat-topped steep-sided hills. Owing to climate and the barrenness of the soil, much of the interior is semi-arid and of little economic value except for sheep-raising. The plateau is separated from the coastal areas by an irregular escarpment which reaches its greatest height in the southeast.

CLIMATE

Owing to its elevation and the proximity of two great oceans, the climate of South Africa is cooler than that of most places in the Northern Hemisphere which are the same distance from the equator. The mean annual temperature is remarkably uniform everywhere, because to a large extent the altitude increases as the equator is approached. At Cape Agulhas, in the extreme south, the average temperature is 61.5° F., while at Johannesburg, which is nearly 900 miles farther north but at an elevation of 5,750 feet, it is 60.6° F. The highest average temperature is recorded in the low-lying country on the border of the Transvaal and Portuguese East Africa, and the lowest in the vicinity of Cape Town. In the coastal strip of Northern Natal and in the low-lying parts of the Northern and Eastern Transvaal, the mean annual temperature

is 71° F. Even in the Highlands severe frost is uncommon, and while the days, particularly during the summer, are hot the nights are cool.

The rainfall is very variable both in seasonal amount and as to time of precipitations. In general it decreases in volume from east to west, topographical features producing local differences. At Durban, on the Natal Coast, it averages about 40 inches, while on the Atlantic side it is only slightly in excess of two inches. The western and southwestern sections of the country are semi-desert owing to the lack of moisture. Over the greater part of the Union most of the rain falls during the summer months, which extend from October to March. A general abundance of sunshine is related to the clearness of the atmosphere, which is itself influenced by the high altitudes and the dryness.

Owing to the limited rainfall and high rate of run-off and evaporation, South Africa has few afforested areas. The country is largely covered with coarse grass or, in the drier parts, with low shrubs and bushes. Most of the limited forest areas are found in the moister eastern section of the Union along the sub-tropical coastal belt, which extends from Port Elizabeth northward into Natal.

POPULATION AND LANGUAGES

As a criterion of the country's purchasing power the population figures of the Union of South Africa are deceptive. The estimated total in 1939 was 10,160,000, but only 2,116,500 of this number were of European descent. The remainder comprised 6,997,500 natives, 231,200 Asiatics and 814,800 coloured or mixed. While the buying power of the bulk of the white population is high, that of the native and other non-Europeans is low and is confined to essentials rather than luxuries. For this reason, the extent of the market cannot be accurately appraised on a population basis as in Canada or the United States. The native element is nevertheless an important factor in the economic life of the country in that it supplies labour for the gold mines, which are the basis of South African prosperity.

The largest city is Johannesburg, which at the time of the 1936 census had a population of 519,384, including 257,671 Europeans. Cape Town, which is also the principal port, was next with 344,223 (173,412 Europeans), and Durban with 259,606 (95,033 Europeans) was third. Only seven other centres have a white population in excess of 20,000.

The density of the white population over the whole country is 4.24 persons per square mile. With non-Europeans included the density is 20.29.

South Africa has two official languages, English and Afrikaans, the latter being closely related to High Dutch. In the urban areas 53 per cent of the population speak English in their homes as against 41 per cent who use Afrikaans. On the other hand, in the rural areas 84 per cent speak Afrikaans and only 14 per cent English. The majority of the people are of Netherlands and Huguenot stock, those of British origin following fairly closely in second place. English is used almost exclusively for overseas commercial correspondence.

POLITICAL ORGANIZATION

Politically the status of the Union of South Africa is the same as that of Canada, an autonomous British Dominion. It is a legislative Union of the former colonies of Natal, the Transvaal, the Orange River Colony, and the Cape of Good Hope. By virtue of the Act of Union of 1909, the colonial legislatures were abolished and Provincial Councils, with strictly subordinate powers, were set up under the direction of Administrators. The Government is vested in the King, whose representative, the Governor-General, is advised by an Executive Council, which is in turn responsible to Parliament.

There are two capitals, Pretoria, in the Transvaal, which is the administrative centre, and Cape Town, where the Legislature meets.

There are four provinces corresponding in area and name to the former colonies, the Orange River Colony excepted, which became the Orange Free State.

NATURAL RESOURCES

South Africa is rich in mineral resources. The soil, generally speaking, is not particularly fertile, and there is little forest wealth, although attempts are being made to increase wood production by afforestation schemes. Fish are found in abundance in the coastal waters.

Up to 1870 the Union was a purely pastoral and agricultural country. The discovery of diamonds in that year marked the beginning of a new era which was further accelerated by the rapid development of gold mining, which began in the eighties. South Africa is now by a wide margin the world's leading gold-producing country, and as a source of revenue to the State and an export commodity gold is of paramount importance. Based on the standard rate of £4.24773 per fine ounce, the value of gold production in 1938 was £51,658,311 out of a total mineral production of £63,778,219. Coal followed gold in second place, with a value of £4,729,423, diamonds being third with £3,496,243. Other mineral products include asbestos, chrome ore, copper, iron ore, manganese ore, and platinum. Gold is mined almost exclusively in one locality, the so-called Witwatersrand in the Transvaal.

AGRICULTURE

Owing to the climatic and soil conditions, South Africa is not particularly well adapted to diversified agriculture, and extensive state aid is required to maintain production at its present level. Wheat-growing has to be heavily subsidized, while government paternalism also extends to the production and marketing of corn, wool, fruit and stock-raising. There is naturally a large variety of agricultural production in a country where the climatic and topographical differences are so great. Wheat is grown principally in the South-Eastern Cape, and also in the Transvaal. The products of the Cape area are otherwise of the Mediterranean type and include grapes, peaches, apricots, and citrus fruit. In the sub-tropical coastal belt of Natal and Zululand, and in the Northern Transvaal, many tropical fruits are grown, such as pineapples, bananas and much citrus fruit. The coast belt of Natal is almost entirely devoted to sugar-planting.

The staple grain crop is maize, which is grown principally in the Orange Free State and the Transvaal. The annual production varies with the seasons, but in 1936-37, which was a good year, it amounted to 2,817,844 tons, of which quantity nearly 1,000,000 tons were exported.

Stock-raising as a whole has in the past been handicapped by various animal diseases. Its most important branch is the raising of woolled sheep; after gold, wool is the Union's leading export commodity. Some attention has been paid to irrigation, but this is proving difficult and costly owing to the variable flow of the rivers and the fact that the beds of many of them are deep cut.

MANUFACTURING

Although the South African import tariff is protective in nature, secondary industries have not on the whole become strongly established or widely diversified. They have developed mostly on a comparatively small scale to supply local market requirements and are largely concerned with the preparation of food and drink and the manufacture of clothing, boots and shoes, furniture, and building materials. A government-subsidized steel works near Pretoria, has

made progress and, although its output is still below domestic requirements, it had a steel ingot production in 1934 of 344,000 tons. Expansion is constantly taking place, and a plant is now on order which will increase ingot output by the Duplex process by 100,000 tons per annum within three years.

There are also assembling plants for the building of automobiles of Canadian and United States origin, while alongside a rubber manufacturing industry has been established.

A census of manufacturing production in the period of 1936-37, lists a total of 9,987 establishments which collectively employed 140,203 Europeans and 192,565 non-Europeans and had an output with a gross value of £175,765,000. While manufacturing in South Africa may still be regarded as being in its infancy, the value of its output has shown a progressive increase as the country has developed, and the industry will be further stimulated by the present war and the attendant difficulties in obtaining supplies from overseas. An indication of the trend of expansion in the secondary industries of the country is the fact that at the present time local manufacturers supply approximately 70 per cent of the requirements of the gold-mining industry. In 1914-15 the percentage was only from 10 to 12.

INTERNAL TRANSPORTATION

The Union of South Africa, including South West Africa, has 13,620 miles of railway, which, with the exception of 407 miles, is all government owned and operated. An important point in connection with freight rates is the treatment of imported products by this state-owned transportation system. Local products which must compete with the same or similar articles from overseas are given the benefit of reduced rates which amounts in practice to increased protection. In some cases, therefore, imported merchandise is able to compete only in the coastal areas.

The South African railway network extends as far northward as the Belgian Congo, the longest continuous journey that can be made being from Cape Town to Port Francqui in the Congo, a distance of 3,292 miles.

There are in the Union 85,428 miles of roads, only 1,177 of which are surfaced. The registration of motor vehicles in 1938 included 302,069 passenger cars, 1,799 buses, and 46,413 trucks. Motor cars are not allowed to compete with the railways in freight and passenger traffic. There is no inland water transportation, and coastal freight rates are high.

The South African Railways and Harbours Administration also operates a regular passenger mail and freight air service, known as South African Airways, between all the principal cities of the Union and South West Africa. It also maintains regular services between the Union and Portuguese East and West Africa, Northern and Southern Rhodesia, and Kenya, while connection is also maintained with other air services covering most parts of Africa and Europe.

FOREIGN TRADE

Because of the high value of its mineral production, South Africa invariably has a favourable visible balance of trade. In 1938 the value of exports was £105,899,105, and of imports £95,886,917. Imports consist principally of manufactured goods and certain semi-finished products and raw materials which are not produced locally. In 1938 the most important individual group was vehicles, which included railway material and motor cars. Textiles comprised the next most important, while machinery was a close third, followed by electrical apparatus.

Exports, which included imports re-exported, to the value of nearly £3,000,000 were made up principally of products of the mines. These latter had a value of £79,596,920, representing approximately 75 per cent of the total.

Included in this figure are exports of gold bullion valued at £68,710,157, while gold coin accounted for an additional £4,554,548. Agricultural and pastoral products, which had a value of slightly less than £20,000,000, was the only other noteworthy item. Among agricultural and pastoral products, sheep's wool in the grease, was valued at £8,488,334; fresh fruit, including nuts, at £2,721,915; sugar at £1,988,100; maize at £965,463; and sheep's skins at £781,726. There were no other individual products with a value in excess of £500,000.

As regards the geographical distribution of foreign trade, the United Kingdom occupies the most important position. In 1938, for instance, that country took 79·52 per cent of the total value of exports and supplied 43·25 per cent of the total value of imports. Other parts of the British Empire took 5·94 per cent of the total exports. The Empire thus collectively accounted for 85·46 per cent of the total exports.

Similarly other British countries supplied an additional 10 per cent of the imports, making the total Empire contribution 53·33 per cent. Among the non-British countries, those of importance as a source of imports are: Germany, which in 1938 was credited with £7,668,000, and the United States with £16,691,000. The value of exports from South Africa to Germany during the same period was £4,992,000, and to the United States £755,000.

TRADE WITH CANADA

South African trade with Canada is characterized by the wide diversification of manufactured products of Canadian origin which find a sale in the Union. It is doubtful if there is any other overseas market which absorbs a greater variety of Canadian goods than the Union of South Africa.

In 1938 the total value of imports from Canada was £3,436,470, the most important single item being motor vehicles, which had a value of £752,091. Wood and timber, both manufactured and unmanufactured, was in second place with £255,206, while all varieties of paper, valued at £243,266, were third. The other principal groups, together with the value of each, were as follows: condensed milk, £9,256; iron and steel, £75,677; ploughs, harrows and parts thereof, £108,896; hardware and cutlery, including tools, £88,316; rubber tires, £84,952; and fish and fish products, £130,684.

South African exports to Canada in 1938 had a value of £380,226. This figure was, however, much below normal owing to the failure of the maize crop, which is one of the principal products exported to Canada. In addition to maize, Canada is an importer of South African wool, sugar, preserved fruit, wines and spirits, hides and skins.

STEAMSHIP SERVICES

There is only one direct regular steamship service from Eastern Canadian to South African ports. This is operated by Messrs. Elder Dempster Lines Limited, Board of Trade Building, Montreal, from whom freight rates may be obtained. Sailings are from Montreal in summer and from Saint John, N.B., in winter, and are at present on a regular monthly basis. These ships continue their journeys to the ports of Lourenco Marques and Beira in Portuguese East Africa.

From the Pacific Coast the North Pacific Shipping Company Limited, who maintain their own offices in Vancouver, and the Silver-Java Pacific Line, whose agents are Dingwall-Cotts & Company, Vancouver, operate regular monthly services from British Columbia to South African ports.

IMPORT TARIFF AND TRADE AGREEMENTS

The South African import customs tariff provides for both ad valorem and specific duties, it being specified in many cases that whichever of these is the

greater shall be applicable. The tariff consists of three columns, providing for a minimum, intermediate and maximum duty rate. Briefly the minimum rate is applicable to designated goods imported into the Union from the United Kingdom or any British dominion, colony or possession with which South Africa has concluded an agreement for equivalent reciprocal privileges. The intermediate rate constitutes, in effect, the protective tariff for Union industries and is a basis for negotiating trade treaties with other countries or to obtain reciprocal most-favoured-nation treatment. The maximum rate is that applicable to all goods to which the minimum or intermediate rate does not apply. In practice, however, the maximum rates apply to very few commodities, each of which must be specifically indicated from time to time in the South African Government *Gazette*.

The Union of South Africa has certain customs conventions with contiguous territories, including Portuguese East Africa, Northern and Southern Rhodesia and the adjacent native protectorates.

Apart from these, by virtue of trade agreements between the United Kingdom, Canada and other British dominions and colonies the minimum duties are applicable to certain specified products when originating in these British countries. As far as Canada is concerned, preferential rates are granted on wheat, wheat flour, canned fish, fresh apples (if imported from October 1 to December 31), hosiery, twine, cranes, mechanical excavators and certain similar machinery, metal ice chests, wire goods, vacuum cleaners, batteries, battery parts, tires and tubes for motor cars, tubes and pipes, pipe fittings, electrical cooking stoves and parts, mechanics' tools, white lead, canvas shoes, garden hose, box shooks, shingles, lumber, and newsprint.

South African duties are collectable upon the domestic valuation of similar goods in usual wholesale quantities in the principal markets of the countries of origin at the time of exportation.

DOCUMENTATION OF SHIPMENTS

A prescribed form of customs invoice must accompany all exports to South Africa, and in the case of goods which are granted a tariff preference proof of origin is required. Where preferences are applicable there must also be evidence that the goods in question have been shipped direct to South Africa from Canada, or have left Canada with South Africa as their predetermined destination. To satisfy this condition, when the goods are shipped via a foreign port a through bill of lading or through rail note from Canada to South Africa is needed in addition to the certificate of origin.

South African customs forms are obtainable through the principal trade organizations in Canada, while particulars as to the text may also be obtained from the Department of Trade and Commerce at Ottawa. No consular visé or other endorsement is needed.

It is desirable that four sets of documents should cover each shipment of merchandise shipped to this country. Two of these sets, which should include the bill of lading, insurance certificate, customs invoice, certificate of origin, and, where necessary, the inspection certificate, should accompany the bank draft. One set may be mailed direct to the exporter's local agent, while the fourth set should be placed on board the vessel carrying the goods. In view of the delays to which mails have been subject since the outbreak of war, this latter requirement is important. In instances where sales are made on consignment, or open account, the original documents should, of course, be made direct to the consignee. It is also advisable that exporters should put a notation on their drafts that in the event of difficulties reference should be made to their agents or the Canadian Trade Commissioner in South Africa.

In filling out the customs invoice, the cost of packing should be included in the valuation. If the domestic values entered are Canadian list prices subject to a discount, such discounts should be shown, and if the export selling price is subject to a discount this should be likewise noted.

When c.i.f. quotations are given, ocean freight and insurance should be noted separately, otherwise import duty may be levied on these items.

WARTIME TRADE RESTRICTIONS

While the Union Government has passed emergency legislation empowering it under wartime conditions to control imports and exports, it has not been necessary to utilize this authority, and the prospect of any restrictions which would adversely affect trade with Canada is remote. Foreign exchange control is also effective. A permit is required before any but small sums can be transferred abroad. This does not, however, affect normal commercial intercourse with Canada. Importers can purchase Canadian dollars or sterling to pay for their purchases in Canada. The South African Reserve Bank co-operates with the Bank of Canada in the operation of the control machinery in the two countries, which at present for instance restricts the use of United States dollars for the payment of South African debts in Canada.

PACKING

Merchandise shipped to South Africa does not require any special type of packing, although any instructions received from the buyer or the agent should be carefully followed, and sufficiently strong containers must be used. These should be plainly marked with the words "Made in Canada".

BUSINESS METHODS

While circumstances alter cases and no hard and fast rules can be laid down regarding methods of doing business with South Africa, most of the commodities which are imported from Canada are marketed through the medium of manufacturers' representatives who act as sole selling representatives for all or a specified part of the territory.

In some cases, where circumstances warranted, Canadian firms have found it desirable to open branches in the Union, while in other instances their interests are looked after by their own factory representatives. Most miscellaneous lines of goods can, however, be advantageously sold either through the medium of these representatives or agents who operate entirely on a commission basis. This section of the business community is well developed in South Africa, and there are a great number of first-class firms and individuals operating in this line of trade. Many of them maintain offices and sample rooms in all the main centres, and the partners or their salaried employees cover periodically all parts of the country. These larger firms, who are able to give complete coverage, are usually the most desirable type of representative. There are, however, numerous small concerns which are equally useful, although in many instances their direct sales cover only a limited part of the Union, such as one or two of the individual provinces. When a Canadian exporter places his interests for the whole of South Africa in their hands, it is necessary for them to make sub-agency arrangements in those parts of the country which they themselves do not cover. This results in split commissions, and is not as a rule satisfactory. If an exporters' representative has not a selling organization of his own in all parts of the country, it is more desirable from a seller's point of view that he should have two or even three direct agents, each working specified territory.

In South Africa there is not the same degree of specialization among agents as in other markets with larger populations and lower selling costs. There is a certain tendency toward handling general groups, such as foodstuffs, soft

goods, or hardware. Very often, however, one agency firm will handle commodities belonging to all three of these, and it is not uncommon to find in an agent's sample room practically all kinds of goods which can be sold to general storekeepers in rural districts, who comprise a large percentage of his customers.

IMPORTERS

For certain types of goods, such as mining supplies (not including machinery), the maintenance of stocks in South Africa is essential, and in such cases the agent must also be an importer and stockist. An importer who buys on his own account is usually appointed sole agent for the district or, if his organization is nation wide, for the whole country. There are in South Africa a number of important and well established importing houses which act in this capacity and can be thoroughly recommended.

BUYERS

There is an increasing tendency for buying representatives of some of the larger wholesale and retail organizations to send direct buyers to the United States and Canada, where purchases are made directly from manufacturers. In such cases Canadian manufacturers should take particular care to protect the interests of their established agents in South Africa.

Occasionally such visiting buyers request that their firms be appointed agents for the Canadian manufacturer in South Africa. Such suggestions should generally be resisted, however, since it is seldom wise to appoint a wholesaler in the capacity of sole agent.

DIRECT FACTORY REPRESENTATIVE

It is becoming increasingly common for exporting firms to send their own factory representatives to South Africa. When the volume of trade becomes sufficiently large it is of undoubted advantage to a firm to have its own representative to supervise the work of sales agents. Usually, however, periodical visits to the territory by responsible factory executives is sufficient to maintain personal contact and to supervise sales activities. Indeed, personal visits of this nature are to be highly recommended.

COMMISSION AND SELLING COSTS

The rates of commission paid to agents vary with the different products, but as a rule are not higher than 10 per cent. In quoting prices the commission rate and the basis upon which it is computed, which is usually on a f.o.b. factory cost, should be stated. In most cases agents stipulate that they be paid commission on all business from their territory, whether it has been booked directly by them or not. Agents' selling costs in South Africa are considerably higher than in most other countries, where there is usually a greater density of population. The Union is sparsely populated, rail distances are long between the principal cities, and costs are correspondingly high. As an example, between Cape Town and Johannesburg, a distance of nearly 1,000 miles, there are few centres of any importance.

CONFIRMING HOUSES

There is a type of middleman in the South African trade that is not commonly found in other markets and whose function is not particularly well understood in Canada. This is the confirming or indent house, which is a direct outgrowth of the practice originally followed by branches of British firms of sending orders to their overseas head offices for confirmation and transmission to exporters. These houses, which maintain offices in London, New York or Montreal, take orders from importers in the Union directed to specified shippers

in other countries to whom they guarantee payment, or as an alternative they themselves act as buying intermediaries, shipment being made direct to the importer. For this service they are paid a commission by their South African clients. In some instances a discount may also be asked from the exporter with whom the business has been placed, although when this has not been stipulated in the original sale, there is no compulsion to comply. On the other hand, customary cash discounts of 2 per cent or $2\frac{1}{2}$ per cent for payment in London or New York may be granted.

TERMS AND PRICES

Under normal conditions most imports into South Africa are paid for on the basis of sight draft against documents, drawn direct upon the buyer. Refusal of drafts is very uncommon, and if the ordinary investigation of the importer's financial standing is undertaken, the element of risk is small. A good agent will not sell to a doubtful account. In the case of certain types of merchandise which are perishable, such as fresh apples, letters of credit are established by South African buyers. In other instances, terms up to a maximum of 90 days after sight have been granted, although this practice is uncommon. Since the outbreak of war, importers who formerly requested terms are more willing to pay cash.

The business ethics of South African importers are of a high standard. Nevertheless, due caution should be exercised in dealing with new and unknown accounts. Credit information may be obtained through ordinary banking channels or the Dun-Bradstreet agency; the latter has branches in the Union.

Consignment shipments, except in the case of samples, and perhaps in certain trial orders, are not to be recommended.

Prices to South African importers should be quoted preferably in Canadian dollars in such a manner that exact delivery costs can be computed. Quotations f.o.b. factory at some interior point in Canada are of little use, as there is no means of ascertaining the inland freight costs; prices given should at least be f.o.b. steamer, including export packing and all incidentals. When quoting f.o.b. steamer, the ocean freight and insurance costs should also be given, although it must be borne in mind that the majority of importers prefer prices which include cost, insurance and freight to the port of destination.

SAMPLES, CATALOGUES AND LITERATURE

Manufacturers doing business in South Africa should supply both their agents and the Canadian Trade Commissioners with an adequate supply of catalogues, descriptive literature and, where necessary, samples. Representatives complain that exporters often send them only one catalogue and one price list. If an agent has several travellers covering various sections of the country concurrently, he is obviously badly handicapped. When corresponding, full details should be given. Since the outbreak of war, ten to twelve weeks may elapse before a reply is received to a letter addressed to Canada. It is essential, therefore, that nothing be overlooked in the first instance, and that the agent be not required to communicate with his principal to obtain additional information which the latter had omitted to supply. When inquiries are received by cable, they should always be answered by cable, and when facilities are available, the use of air mail is to be commended.

ADVERTISING

Whether or not advertising will be necessary or be a paying proposition in South Africa must depend upon the nature of the article to be sold, the extent of the market, prices, quality, and established competition. Generally speaking, articles which are advertised in Canada can also be advertised in South Africa,

and most proprietary lines sold in this country are backed by extensive publicity campaigns.

As regards media, newspaper and magazine advertising is not as well developed as in Canada owing to the smaller number of publications available. Screen and billboard publicity are both fairly widely used, as well as street car and bus advertising. Display cards for retailers are necessary, and ample supplies of these should be forwarded, particularly with initial orders. Direct mail advertising from overseas loses its effectiveness unless followed up by a resident agent.

Generally speaking, advertising in South Africa should be worked out according to the requirements of the particular locality and with the co-operation of the exporter's representative.

SOUTH WEST AFRICA

The territory of South West Africa, with an area of 317,725 square miles, is included in the Union of South Africa customs area, and the civil administration is also in the hands of the Union Government. The principal port of entry is Walvis Bay, which is the only seaport with adequate harbour facilities. The administrative capital is Windhoek, 1,383 miles by rail from Cape Town and 1,336 miles from Johannesburg. The population of the territory is about 360,000, including approximately 31,900 Europeans. Owing to its remoteness and comparatively small population, South West Africa is not commonly covered by agents working the Union of South Africa, and therefore, where there are business possibilities a local representative is desirable.

SUMMARY

The immediate future of South African-Canadian trade depends to a considerable extent on the length and developments of the war. As long as hostilities continue, European competition will be weakened, and the sale of Canadian goods will be facilitated. Concurrently, domestic industry will be stimulated, as it was in 1914-18, and the need for imports will be lessened. There will also be stronger competition from the United States.

To assist Canadian exports to the Union, the Department of Trade and Commerce maintains two Trade Commissioner's offices in South Africa, one in Cape Town and one in Johannesburg. The territory of the former includes the Cape Province, Natal and South West Africa; that of the latter includes the Transvaal and Orange Free State. Inquiries regarding trade with these areas should be addressed respectively to the Canadian Government Trade Commissioner, P.O. Box 683, Cape Town; and the Canadian Government Trade Commissioner, P.O. Box 715, Johannesburg.

WARTIME TRADE REGULATIONS IN BRITISH WEST AFRICA

H. L. BROWN, ASSISTANT TRADE COMMISSIONER

London, February 2, 1940.—Following the outbreak of war, each of the four British West African Colonies—Gambia, Sierra Leone, Gold Coast and Nigeria—adopted appropriate measures for the protection and control of trade and property.

IMPORT LICENSING AND EXCHANGE CONTROL

Import licensing has been established in all the colonies except Sierra Leone, with the object of conserving exchange, but the allocation of such exchange must necessarily result in a certain amount of restriction.

In providing the necessary exchange for imports, if none were available in any one colony for an essential import the funds would probably be provided from the United Kingdom. At the same time, however, maintenance of the

solidarity of the sterling group affects the other side of the exchange problem; if any colony in the sterling group is short of a particular exchange, applications for import permits would have to be scrutinized very carefully before the licence could be granted in respect of the country in question.

As has been made clear in the United Kingdom during the past five months, the sterling group needs Canadian dollars and, if Canadian exporters find that their British West African customers are encountering difficulty in obtaining import licences and the necessary exchange, they will realize that the dollars which would have been used to pay for these goods have been utilized to pay for more essential services in West Africa or elsewhere in the sterling group. This is a situation which does not appear to have yet materialized, but which is quite possible. For the present, however, the number of Canadian products likely to be affected does not seem to be extensive and is possibly negligible.

It is pertinent at this point to observe that merchandise shipped from Canada direct or via United States ports to British West Africa is subject to import control in the colony concerned, even though paid for and brought forward by a trading company in the United Kingdom. Merchandise transhipped at United Kingdom ports is in the same category. If, however, any merchandise subject to licence in the United Kingdom is imported into the United Kingdom and then re-exported, it requires a licence for import into the United Kingdom. Goods for West Africa, therefore, will be transhipped rather than cleared at United Kingdom ports in order to avoid this difficulty.

Details of import licensing in the Gambia are not yet to hand, but will probably be along the same general lines as the following details of the procedures in the Gold Coast and Nigeria.

IMPORT LICENCES IN THE GOLD COAST

By proclamation of November 6, all imports into the Gold Coast are subject to licence. Importers must make application to the Gold Coast Comptroller of Customs, such application to contain information as to the importer's name and address, port of destination, classification of goods in customs list, country of origin and consignment, value, and the quantity and/or value (c.i.f.) of articles of a like kind imported by the applicant during (1) July to December, 1938, and (2) January to June, 1939.

Under date November 13, the Gold Coast Comptroller of Customs issued an open general licence effective November 6, by which the importation into the Gold Coast of all articles from Empire countries other than Canada is subject only to the production of a certificate of origin.

However, also effective November 6, the Comptroller of Customs issued an open general licence which provided for the unprohibited entry from any country of a list of commodities including biscuits, butter, cheese, fresh fish, flour and meal, canned fruits, jams and jellies, meats, milk, pickles and sauces, provisions n.o.p., spirits, tobacco (manufactured only), canned vegetables, unmanufactured wood and timber, leather boots and shoes, etc. These articles may therefore be imported from Canada on production of a certificate of origin and relevant documents. The number of products for which import licences must be obtained when imported from Canada is not extensive but includes leaf tobacco, certain classes of machinery, and automobiles.

By arranging that licences shall cover a period of six months, the Gold Coast Government has endeavoured to reduce inconvenience to importers to a minimum, while at the same time maintaining the original purpose of the import licensing system.

IMPORT LICENCES IN NIGERIA

The *Nigeria Gazette* of January 1, 1940, contains a number of notices and orders which institute import licensing in that colony. The Comptroller of Customs is appointed Controller of Imports. A government notice calls the

attention of importers in Nigeria to a regulation, made under the Emergency Powers (Defence) Act, 1939, and published in the same issue of the *Gazette*, which gives the Controller power to prohibit or restrict imports, but such limitation will not apply to goods for His Majesty's forces or any government body, nor the Nigerian Railway, nor to commercial samples, personal baggage or gifts sent by parcel post.

Another government notice deals with other phases of import control, of which the following are of most interest:—

Section 6.—There is no restriction on the importation of goods produced or manufactured in and consigned from neighbouring French territory or a part of the British Empire *having a sterling currency*. The proof of origin required in the case of goods imported from any such part of the British Empire will be a certificate of origin in the form prescribed in other British West African Colonies in legislation governing the entry of goods under the British preference tariff.

Section 7.—No licence will be issued to any person to import any goods unless he shall, before January 31, 1940, have applied successfully to be registered as a regular importer of the class of goods for which a licence is desired. On registration an importer will be given a number, which must be quoted on every application for a licence.

Section 11.—Unless otherwise specially permitted, a separate application must be submitted by each importer for (a) each class of goods, showing separate particulars of each kind; (b) each country of consignment; (c) each country of origin, where differing from (b); and (d) each port of importation.

Section 12.—The value will be the limiting factor rather than the quantity.

A public notice, also published in the *Nigeria Gazette* of January 1, gives details of classes of goods brought under control. Part I of the schedule, forming part of this notice, is a list of goods prohibited entry except when grown, produced or manufactured in and consigned from (a) a part of the British Empire, the currency of which is based on sterling; or (b) any country having a land frontier with Nigeria. This means that Canadian goods falling under this heading are prohibited entry. Some of the goods are food and drink not specifically mentioned in Part II (see below); tobacco other than unmanufactured leaf; cordage and twine; all articles (other than scientific and surgical instruments) made wholly or substantially of metal and not included in Part II; bags, trunks and valises; beads; brooms and brushes; candles; cement; oilcloth and linoleum; paper and manufactures thereof, but not including printing paper or goods specifically mentioned in Part II; rubber goods not specifically mentioned in Part II; soap; starch; stationery; toys and games; articles made wholly or principally of wood, being goods of kinds not specifically mentioned in Part II and not including containers or parts thereof for packing produce for export; etc.

Goods listed in Part II of the schedule are prohibited entry except under licence.

(a) Goods for which licences may be issued to cover the total quantity to be imported within a period ending June 30 or December 31: including beer and stout; fish, dried or salted; flour of wheat; beef, fresh, chilled or frozen; oils, edible refined; spirits, potable, other than whisky and rum; sugar; tea; tobacco, unmanufactured leaf; wood and timber, sawn or hewn, dressed or undressed, beaded, tongued and grooved or similarly prepared, including box boards and box shooks, but not further manufactured; calcium carbide; oil of all kinds, including motor spirit; paper for printing; etc.

(b) Goods for which licences may be issued to cover the value to be imported within a period ending June 30 or December 31: including fish, meat and vegetables, canned or preserved in jars or bottles; milk, preserved; buckets, pails and basins of metal; metal hollowware and enamelware; etc.

(c) Goods for which a licence for each indent will be required: including apparel of all kinds; boots and shoes; electrical apparatus; implements and tools, not including scientific and surgical instruments; machinery; land vehicles of all kinds and parts thereof, including tires and tubes; lamps and lanterns; etc.

EXCHANGE CONTROL IN ALL COLONIES

Exchange control is complementary to import and export licensing and is made more effective by such licensing. However, the movement of cash and securities must be controlled as well as the movement of actual goods. Appropriate measures have been passed to prohibit the export, without permission, of gold, securities or currency in any form. Gold is understood not to include crude gold mined within the colony, which is handled through the usual channels. Exceptions to the prohibition of the export of currency are: (1) persons leaving the colony may take out small amounts in British bank notes and/or British West African currency notes, and (2) in the case at least of Sierra Leone, British bank notes, British West African currency notes and postal notes, despatched by letter to the United Kingdom, do not require a permit. Nothing in these regulations is intended to restrict any act or transaction necessary for the purpose of meeting reasonable trade or business.

Dealings in foreign currency may be carried on only through authorized dealers, i.e., the banks.

Provision is made in each of the appropriate regulations, mentioned above, for the authorities to specify foreign currencies (i.e. other than West African or pounds sterling) which must be offered to the Colonial Government concerned. The Gold Coast, on September 30, invoked this regulation in respect of Canadian and American dollars, French and Swiss francs, Swedish and Norwegian kroners, and guilders, belgas and Argentine pesos; such currencies must be sold to authorized dealers. A similar notice was issued in Sierra Leone under date October 9. Presumably Nigeria and the Gambia will adopt the same course, if they have not already done so.

As far as can be ascertained there does not appear to be any regulation in any part of British West Africa which would prevent ready payment for Canadian merchandise.

TRADE OF THE GOLD COAST IN 1938

H. L. BROWN, ASSISTANT TRADE COMMISSIONER

London, February 8, 1940.—The aggregate external trade of the Gold Coast was £25,805,819 in 1938 as compared with £35,446,556 in 1937, or a decrease in excess of 27 per cent. The figure for 1937 was abnormally high, however, as the highest aggregate ever achieved in previous years was £28,120,897 in 1927. The total in 1938 is quite comparable with the total for 1936, which was £24,293,618.

EXPORT TRADE

The total value of merchandise exported in 1938 was £11,262,380, which is low in comparison with £16,110,093 in 1937, but compares not unfavourably with the totals for previous years. Cocoa is the outstandingly important export commodity of the Gold Coast and the decline in value of domestic exports in 1938 was due almost solely to lower prices for cocoa, the quantity exported exceeding by 27,023 tons the quantity exported in 1937. Of the total export trade, cocoa accounted for £4,540,899 as compared with £9,989,548 in 1937, the average f.o.b. value being only £17 6s. 0d. in 1938 as against £42 10s. 0d. per long ton in 1937. The export of gold increased from £3,910,757 in 1937 to £4,841,633 in 1938.

IMPORTS BY COUNTRIES AND CLASSES

The value of the import trade in 1938, exclusive of specie and currency notes, was £7,657,484, which was £4,649,021 or 38 per cent less than the figure of £12,306,755 for 1937. Imports by principal countries of supply and by the main classes of goods were as follows:—

Imports by Principal Countries and Commodity Classes in 1938

	Food, Drink and Tobacco	Raw Materials	Manufactured Articles	Total Merchandise
Total.....	£1,483,013	£218,089	£5,955,449	£7,657,484
United Kingdom	457,730	64,818	3,766,043	4,288,591
Other British Empire.....	211,679	84,570	226,681	523,802
Nigeria	60,761	79,040	38,119	178,792
India	46,026	274	107,800	154,100
Canada	8,571	3,792	53,257	65,620
Burma	61,017	93	580	61,690
Hongkong .....	.....	.....	24,218	24,218
New Zealand	17,571	.....	.....	17,571
Argentina	44,155	11	23	44,189
Belgium	5,900	3	103,200	109,103
Canary Islands	49,468	.....	243	49,711
Czecho-Slovakia	50,370	.....	93,382	143,752
Denmark	52,197	4	1,423	53,624
Dutch West Indies	5	.....	292,775	292,780
France	13,733	429	38,100	52,262
Germany	66,938	1,721	385,143	453,802
Italy	6,126	144	117,892	124,162
Japan	71,275	1	210,611	281,887
Netherlands	58,236	24	104,204	162,464
Switzerland	3,187	.....	57,162	60,349
United States	243,419	64,052	461,043	768,514

IMPORTS BY PRINCIPAL COMMODITIES

The following details of the more important commodities imported in 1938 show the principal supplying countries and, in the case of the items of immediate interest to Canadian exporters, show also the quantities and values credited to each country; quantities are in imperial measure (e.g. cwt. of 112 pounds) and values in pounds sterling:—

FOOD

Ships' Biscuits.—8,937 cwt., £15,822: United Kingdom, also France.
Other Biscuits.—2,562 cwt., £12,744: United Kingdom and Belgium.
Butter.—2,123 cwt., £15,883: New Zealand, United Kingdom and Denmark.
Cheese.—1,161 cwt., £6,097: United Kingdom and the Netherlands.
Confectionery.—2,468 cwt., £12,601: United Kingdom mainly.
Fish, Canned.—67,762 cwt., £143,541: Japan, 39,949 cwt., £70,940; United States, 18,177 cwt., £46,047; Portugal, 7,432 cwt., £20,735; Canada, 866 cwt., £2,147.
Fish, Dried, Etc.—52,361 cwt., £75,746: Canary Islands, 27,840 cwt., £48,832; French Togoland, 14,242 cwt., £8,612; French Ivory Coast, 2,265 cwt., £6,033; Mauritania, 3,073 cwt., £4,603; Norway, 2,121 cwt., £3,259; United Kingdom, 1,672 cwt., £2,966.
Fish, Fresh.—593 cwt., £3,111: United Kingdom mainly.
Fruit, Canned.—88,872 lbs., £2,646: United States and United Kingdom.
Fruit, Fresh.—£4,212: United States and South Africa.
Flour, Wheaten.—136,813 cwt., £121,351: United States, 128,137 cwt., £112,785; Canada, 5,555 cwt., £4,854; United Kingdom, 2,741 cwt., £3,262; Australia, 338 cwt., £403.
Beef and Pork, Pickled and Salted.—40,472 cwt., £48,150: Denmark and Argentina.
Meat, Canned.—10,173 cwt., £30,496: Argentina, also Uruguay.
Meat, Fresh.—7,328 cwt., £32,008: United Kingdom, Argentina, New Zealand, South Africa and Denmark.
Meat, Smoked or Cured.—4,778 cwt., £12,476: Denmark, Lithuania, United Kingdom.
Meat, Other.—77,400 lbs., £4,523: United Kingdom and others.
Milk, Condensed Unsweetened.—9,783 cwt., £21,996: Netherlands, also United Kingdom and Denmark.
Milk, Condensed Sweetened.—2,923 cwt., £6,263: Netherlands, also United Kingdom and Denmark.
Cream.—179 cwt., £912: United Kingdom mainly.
Milk, Fresh.—286 cwt., £953: United Kingdom only.
Milk Powder, Unsweetened.—63 cwt., £600: United States mainly.
Milk Powder, Sweetened.—19 cwt., £151: United States mainly.

Milk, Preserved, n.o.p.—762 cwt., £1,368.
Oils, Edible.—346,186 gals., £29,232: Nigeria and others.
Pickles, Sauces and Condiments.—£3,496: United Kingdom mainly.
Provisions, n.o.p.—£48,180: United Kingdom, French Togoland and others.
Rice.—228,469 cwt., £117,657: Burma and India.
Salt, Other than Table.—31,894 cwt., £7,253: United Kingdom mainly.
Sugar.—124,535 cwt., £91,875: Czecho-Slovakia and United Kingdom.
Vegetables, Canned.—4,975 cwt., £9,430: Italy and United Kingdom mainly.
Vegetables, Fresh.—41,629 cwt., £18,883: Madeira, Netherlands and others.

DRINK

Beer.—613,208 gals., £88,095: Germany, Netherlands, United Kingdom.
Brandy.—2,551 gals., £3,793: France.
Gin.—49,780 gals., £26,427: Netherlands and United Kingdom.
Rum.—6,282 gals., £2,208: Cuba.
Whisky.—46,756 gals., £54,204: United Kingdom.

TOBACCO

Unmanufactured leaf.—1,399,227 lbs., £71,222: United States, 1,395,839 lbs., £71,005.
Cigarettes.—£207,305: United Kingdom.
Other Tobacco.—£4,074: United Kingdom.

WOOD AND TIMBER

Lumber, Sawn or Hewn, Not Dressed.—543,677 board ft., £12,558: United States, 452,705 board ft., £10,532; Australia, 44,174 board ft., £1,181; Canada, 16,019 board ft., £271; United Kingdom, 14,405 board ft., £307.

Lumber, Sawn or Hewn, Wholly or Partly Dressed.—5,642,334 board ft., £58,293: United States, 5,185,799 board ft., £51,966; Canada, 241,798 board ft., £3,521; Germany, 115,165 board ft., £1,412; Finland, 85,750 board ft., £1,083.

Casks, Shooks, Staves and Headings.—£7,358: United Kingdom solely.

Wood and Timber, Manufactured, n.o.p.—£13,846: from many sources, including United Kingdom, Germany, Japan.

APPAREL

Boots and Shoes, Leather.—60,906 prs., £20,181: United Kingdom, 35,239 prs., £14,243; Czecho-Slovakia, 21,079 prs., £4,947.

Boots and Shoes, Rubber.—151,430 prs., £9,797: Japan, 144,004 prs., £9,049.

Slippers and House Shoes.—32,846 prs., £2,549: Germany and United Kingdom.

Cardigans, Jerseys and Pullovers.—67,594 pieces, £8,262: United Kingdom, also Hongkong.

Haberdashery and Millinery.—£4,706: Japan and United Kingdom.

Headgear.—127,805 doz., £37,759: United Kingdom and Japan.

Shirts.—339,552 pieces, £26,637: Hongkong and United Kingdom.

Singlets.—515,515 pieces, £15,648: United Kingdom, Hongkong, Netherlands and Japan.

Socks and Stockings.—10,686 doz. prs., £4,772: United Kingdom, Japan and Hongkong.

Apparel, n.o.p.—£85,411: United Kingdom and Japan.

TEXTILES

Bags and Sacks.—4,334,292 pieces, £98,628: India mainly.

Cordage and Twine.—8,759 cwt., £41,956: United Kingdom, also Germany.

Cotton Piece-Goods, Etc.—£939,046: United Kingdom, India, China, Germany, Italy, Japan, Netherlands, Switzerland, etc.

Silk Piece-Goods, Etc.—£8,925: United Kingdom and others.

Artificial Silk Piece-Goods, Etc.—£245,469: United Kingdom, Czecho-Slovakia, Germany, Italy, Japan, etc.

Woollen Piece-Goods, Etc.—£29,940: United Kingdom, also Japan.

METAL PRODUCTS

Clocks and Watches.—£11,483: Switzerland, Germany and United Kingdom.

Cutlery.—£15,039: Germany, also United Kingdom.

Radios.—159 sets, £1,768: United Kingdom, Netherlands and United States.

Radio Parts.—£13,665: United Kingdom.

Other Kinds of Electrical and Telegraphic Apparatus.—£15,452: United Kingdom.

Electrical Articles and Apparatus, n.o.p.—£123,913: United Kingdom.

Implements and Tools, Agricultural.—£18,073: United Kingdom and Germany.

Implements and Tools, Artisan's.—£34,623: United Kingdom, Germany, also United States.

Implements and Tools, Other.—£6,669: United Kingdom and Germany.

Instruments, Scientific.—£24,770: United Kingdom mainly.

Machinery, Agricultural.—£1,201: United Kingdom only.

Machinery, Electrical.—£206,962: United Kingdom mainly.

- Machinery, Industrial.*—£52,358: United Kingdom, also Germany, France, etc.
Machinery, Marine.—£1,034: United Kingdom and Sweden.
Machinery for Mining and Gold-Dredging.—£867,117: United Kingdom, also United States.
Sewing Machines.—£6,813: Germany, also United Kingdom.
Typewriters.—£5,461: United Kingdom, United States and Germany.
Machinery, Water-boring and Pumping.—£7,783: United Kingdom.
Machinery, Other Kinds.—£35,919: United Kingdom.
Brass and Manufactures Thereof.—£14,663: United Kingdom, also Germany.
Copper and Manufactures Thereof.—£20,656: United Kingdom.
Buckets, Pails and Basins.—26,959 doz., £14,131: Germany, United Kingdom, Belgium, Japan.
Iron and Steel Bars, Rods, Angles, Shapes and Sections.—£43,603: United Kingdom, also Belgium.
Iron and Steel Beams, Girders, Joists and Pillars.—£21,262: United Kingdom.
Corrugated Iron Sheet.—1,596 tons, £34,047: United Kingdom, also Belgium.
Iron and Steel Plates and Sheets.—£14,710: United Kingdom, also Belgium.
Other Kinds of Iron and Steel Building and Mining Materials.—£77,267: United Kingdom, also Germany, Belgium and France.
Railway Ties, Fishplates and Spikes.—£30,068: United Kingdom, France and Belgium.
Steel Railway Rails.—£31,248: United Kingdom, France and Belgium.
Railway Material of Iron or Steel, n.o.p.—£12,993: United Kingdom.
Iron and Steel, n.o.p.—£228,797: United Kingdom, Germany, Belgium, etc.
Lead and Lead Manufactures.—£5,266: United Kingdom mainly.
Tin and Tin Manufactures.—£85,144: United Kingdom.
Zinc and Zinc Manufactures.—£5,434: United States and United Kingdom.

VEHICLES AND PARTS

- Railway Locomotives.*—18, £49,010: United Kingdom mainly.
Railway Locomotive Parts.—£27,458: United Kingdom, also Germany.
Railway Carriages.—19, £34,085: United Kingdom.
Railway Wagons.—832, £165,567: United Kingdom mainly.
Motor Trucks.—71, £12,830: United States, 31, £5,393; Canada, 33, £4,726; United Kingdom, 6, £2,181; Germany, 1, £530.
Motor Truck Parts.—£46,401: United States, United Kingdom and Canada.
Automobile Chassis.—408, £48,928: United States, 318, £31,455; Germany, 53, £11,798; Canada, 26, £2,703; United Kingdom, 11, £2,972.
Automobiles, Passenger.—409, £62,560: United States, 116, £23,416; United Kingdom, 159, £20,657; Canada, 64, £9,881; Germany, 65, £7,958; France, 5, £648.
Passenger Automobile Parts.—£3,808: United Kingdom, Germany and United States.
Tractors.—£3,199: United Kingdom and United States.
Tractor Parts.—£11,406: United Kingdom mainly.
Cycles and Tricycles.—1,539, £6,685: United Kingdom, also Germany.
Rubber Tires.—35,747, £79,513: United Kingdom, 15,520, £31,689; Canada, 10,401, £27,806; United States, 5,240, £13,253; France, 977, £3,070; Italy, 1,170, £2,116; Belgium, 588, £1,283.
Inner Tubes.—43,086, £9,085: United Kingdom, 13,104, £3,190; Canada, 7,329, £2,397; United States, 4,170, £1,569; etc.

MISCELLANEOUS

- Arms, Ammunition and Explosives.*—£184,744 (mainly dynamite): United Kingdom principally.
Bags, Trunks and Valises.—£9,162: United Kingdom, Germany and Japan.
Beads.—£28,574: Czecho-Slovakia, Italy and Germany.
Blacking and Polishes.—£9,076: United Kingdom mainly.
Blue.—£18,333: Belgium, also United Kingdom.
Books, Printed.—£30,476: United Kingdom mainly.
Brooms and Brushes.—10,217 doz., £5,683: United Kingdom mainly.
Candles.—£24,039: United Kingdom.
Cement.—53,794 tons, £145,449: United Kingdom, also Germany.
Calcium Carbide.—15,780 cwt., £18,987: United Kingdom, Switzerland, Norway, France, Poland, etc.
Chemicals, Other.—£64,778: United Kingdom and Germany, also Switzerland.
Glass and Glassware.—£16,326: Germany and United Kingdom.
Lamps and Lanterns.—12,421 doz., £10,928: Germany, also United States and United Kingdom.
Leather.—£6,741: United Kingdom, also other West Africa.
Matches.—£22,604: Sweden.
Medicines and Drugs.—£91,493: United Kingdom, also Germany and United States.
Musical Instruments.—£14,869: United Kingdom and Germany.
Painters' Colours and Materials.—£36,944: United Kingdom mainly.

Paper.—£21,121: United Kingdom mainly.

Perfumery.—£50,569: United Kingdom, also Germany, United States, Belgium and Japan.

Petroleum Products.—£492,826: Dutch West Indies and United States.

Rubber Goods, n.o.p.—£6,616: United Kingdom mainly.

Soap.—£85,923: United Kingdom mainly.

Spirits, Not Potable.—£11,566: Germany, France and United Kingdom.

Stationery.—£58,717: United Kingdom mainly.

Toys and Games.—£8,538: United Kingdom mainly.

DISPLACEMENT OF GERMAN TRADE

Imports from Germany in 1938 had a total value of £453,802, the lowest figure since 1934 and less than half of the 1937 figure of £1,088,015. The following were the principal items purchased from that country:—

Beer, £59,051; biscuits, etc., £1,530; wine, £1,286; food and drink, n.o.p., £5,071; lumber, £1,412; other raw materials, £309; headgear, £567; other apparel, £1,555; twine, 4,314; cotton piece-goods, etc., £7,272; artificial silk piece-goods, etc., £46,816; woollen piece-goods, etc., £1,252; other textile articles, £18,477; clocks and watches, £3,426; cutlery, £11,027; electrical apparatus, £3,835; agricultural tools, £8,197; artisans' tools, £10,628; other tools, £1,342; scientific instruments, £1,221; mining and gold-dredging machinery, £32,019; sewing machines, £4,926; typewriters, £860; other machines, £633; brass and brass manufactures, £3,460; buckets, pails and basins, £7,920; iron and steel building materials, £7,172; railway material, £1,514; other iron and steel manufactures, £39,900; photographic apparatus and materials, £1,957; motor trucks, £530; motor truck parts, £4,743; automobile chassis, £11,798; passenger automobiles, £7,958; passenger automobile parts, £893; cycles and tricycles, £823; tires and tubes, £339; ships and boats, £935; other articles of metal, n.o.p., £14,942; gunpowder, £2,960; bags, trunks and valises, £1,805; beads, £7,440; blacking and polishes, £433; brooms and brushes, £535; cement, £24,469; calcium carbide, £982; other chemicals, £15,558; earthenware, £3,391; other pottery, £2,431; glass and glassware, £5,118; lamps and lanterns, £6,693; medicines and drugs, £10,071; musical instruments, £3,635; lubricating oils, £2,887; paints and colours, £1,482; perfumery, £7,979; spirits, perfumed, £4,200; stationery, £2,003; toys and games, £774; wood and timber, manufactured, n.o.p., £1,160; all other miscellaneous articles, £15,854.

SECOND OFFICIAL ESTIMATE OF ARGENTINE GRAIN PRODUCTION

Mr. J. A. Strong, Canadian Trade Commissioner at Buenos Aires, writes that the Argentine Ministry of Agriculture, under date of February 16, 1940, issued their second official estimate of the 1939-40 grain production. The figures for the various grains in this estimate, with those of the first estimate and for the last five-year average shown within parentheses, are as follows: wheat, 118,008,880 bushels (146,960,000 and 230,587,588); linseed, 44,369,990 bushels (49,212,500 and 66,631,835); oats, 63,654,360 bushels (62,001,000 and 50,206,687); barley, 36,744,000 bushels (34,447,500 and 24,054,597); rye, 15,196,820 bushels (14,173,200 and 8,900,691); birdseed, 58,421,900 pounds (70,547,200 and 65,430,323).

TRADE OF THE DOMINICAN REPUBLIC IN 1938

C. S. BISSETT, CANADIAN TRADE COMMISSIONER

(The Dominican dollar is equal in value to the United States dollar)

Havana, January 5, 1940.—In 1938 there was a sharp decrease in the value of both exports from and imports into the Dominican Republic, although the value of exports declined considerably more than that of imports. Lower sugar prices were mainly responsible for the falling-off in export values.

Exports were valued at \$14,347,033 as compared with \$18,120,471 in 1937, a decrease of 21 per cent. Imports amounted to \$11,342,495, a decline of only 3 per cent from the previous year's figure of \$11,691,896. The sharp contraction in exports will undoubtedly lead to a shrinkage of import values in 1939 by a percentage appreciably larger than the above 3 per cent. restrictions

in purchasing power being usually felt to a greater extent in the year following a sharp reduction in exports.

BALANCE OF TRADE

The year's trading produced a favourable balance of trade amounting only to \$3,004,538 as compared with \$6,428,875 in the previous year. The former figure was 26·5 per cent of the total imports in 1938, which is scarcely sufficient to liquidate the fairly heavy invisible imports of the Republic. These items, such as maritime freight charges, banking and insurance services, dividends remitted abroad on foreign capital invested in the country, the servicing of the foreign debt and similar charges, will eat up the favourable trade balance and leave practically no profit on the year's trading. However, in 1937 there was one of the largest annual trading profits in recent years. With that financial foundation the country entered 1939 in a fairly healthy economic condition in spite of the fact that trade in 1938 did little to add to the country's financial resources. As conditions in 1939 were still less favourable than those in the year under review it is anticipated that the trade figures when published will show further declines in both branches of commerce.

FOREIGN TRADE

The following table shows the total values of imports and exports for the six years 1933 to 1938:—

	Imports	Exports
1933	\$ 9,322,688	\$ 9,625,473
1934	10,574,344	12,894,636
1935	9,790,033	15,487,149
1936	9,926,567	15,149,908
1937	11,691,896	18,120,471
1938	11,342,495	14,347,033

During the four years previous to 1938 considerable progress was made by Dominican industry in general in consolidating its financial position after the severe set-backs experienced in the depression years. Although 1938 brought an end to this improvement, the country's position at the start of that year was such that it was strong enough to avoid any retrograde movement and to hold the gains made. However, there is little doubt that an appreciable decline in the country's purchasing power and a consequent weakening of the financial position occurred in 1939.

IMPORTS BY COUNTRIES

The following table shows the value of imports from the main supplying countries in 1938 and 1937:—

	1938	1937
Total	\$11,342,495	\$11,691,896
United States	6,072,401	6,115,157
Japan	1,201,794	1,478,881
Germany	865,279	904,767
United Kingdom	564,389	777,073
British India	505,167	386,181
France	363,601	307,299
Dutch West Indies	345,216	269,580
Siam	236,760	80,858
Italy	204,749	120,959
Belgium	153,472	228,241
Canada	127,929	203,348
Netherlands	92,302	130,565
Porto Rico	15,103	22,853
New Zealand	11,028	11,514
Others	583,305	654,620

The United States as usual was the chief supplier to the Republic, shipping goods to a greater value than all other countries combined. Purchases

from the United States amounted to 54 per cent of the total of all purchases from abroad as compared to 52 per cent in 1937. Good steamship services, proximity to the market, and the considerable investment of United States capital in the Republic's sugar and other industries give that country a dominating position in the import trade.

Japan was second in importance as a source of supply with 11 per cent of the total against 13 per cent in the preceding year. Germany was third with 7.6 per cent of the total as compared with 8 per cent in 1937. Most of this was barter trade, concerning which a special report was published in *Commercial Intelligence Journal* No. 1883.

The United Kingdom, although first as a purchaser of Dominican products, was fourth as a supplier. That country's share amounted to 5 per cent of the total imports against 7 per cent in 1937.

British India, due to large sales of jute bags, took fifth position with a percentage of 4.4 as compared with 3 per cent in 1937.

IMPORTS BY PRINCIPAL COMMODITIES

The following table shows the values of imports of chief commodities or groups of commodities in 1938 and 1937:—

Commodity	1938	1937
Cotton and manufactures	\$1,997,727	\$2,246,003
Machinery and apparatus	825,923	858,763
Chemical and pharmaceutical products	733,864	724,902
Jute bags	510,081	440,269
Paper and manufactures	461,897	383,700
Gasoline	338,293	304,092
Rice	289,360	80,865
Iron structural material	289,202	424,795
Automobiles	257,791	295,939
Wheat flour	252,592	286,930

The foregoing ten items combined accounted for 53 per cent of the total import trade.

Cotton and cotton manufactures continued by a wide margin to be the most important item in Dominican import trade. The total imports in 1938 of this group accounted for 18 per cent of the total imports of all commodities as compared with 19 per cent in the previous year. Although there was a decrease in value of 11 per cent in imports of this group, this decline was more or less in line with the general decrease in all imports. Japan was the chief supplier of cotton and cotton manufactures with a value of \$945,094 or 47 per cent of the total. Second place was held by the United States with \$731,788 (37 per cent), followed by the United Kingdom with \$231,377 (12 per cent).

Machinery and apparatus retained second place, won in 1937, for value of imports. The United States was the principal source of supply with a value of \$703,223 (85 per cent), followed by Germany with \$72,097 (9 per cent), and the Netherlands with \$21,636 (3 per cent).

As in 1937 and 1936, chemical and pharmaceutical products occupied the third position. There was a gain in value of imports of this group, as also occurred in each of the five preceding years. In this group as well the United States was first with a value of \$324,142 or 44 per cent of the total. France was second with \$110,869 (15 per cent), and Germany third with \$94,358 (13 per cent).

Jute bags used largely for shipping Dominican export products, such as sugar, cacao and coffee, came mainly from British India. Purchases from that country amounted to \$466,952, or 92 per cent of the total imports of this product. The United States was second with \$19,705 or 4 per cent of the total.

Imports in the fifth largest group, paper and paper manufactures, are chiefly of United States origin. Purchases from that country totalled \$305,583, which was 66 per cent of the total imports. Sweden was second as a supplier with \$39,469 (8 per cent), followed by Germany with \$35,061 (7·5 per cent), and Esthonia with \$32,450 (7 per cent). Due to war conditions Canadian exporters have a good opportunity to gain the share of these last three countries.

The gasoline trade of the Republic is split fairly evenly between the Dutch West Indies and the United States. The former's share amounted to \$164,757 or 49 per cent of the total imports, and the latter's to \$143,688 or 42 per cent.

Rice is supplied almost wholly by Siam, although United States producers are cutting into this trade. Whereas Siam supplied practically 100 per cent of rice imports in 1937 when the imports were small, that country's share in 1938 totalled \$236,742 or only 82 per cent of the Republic's gross purchases. The United States shipped rice to a value of \$28,422, which was 10 per cent of the total imports.

The falling-off in imports of iron and steel structural material was due to the curtailment of building and construction of all kinds. The chief suppliers were the United States with \$150,340, which was 52 per cent of the total imports; Belgium with \$59,648 (21 per cent); France with \$42,903 (15 per cent); and Germany with \$35,099 (12 per cent).

Automobiles to a value of \$186,374, 72 per cent of the total imports, were imported from the United States. Germany shipped to the value of \$71,217 (28 per cent).

The imports of wheat flour declined much more in value than in quantity. As usual this trade continued to be practically a monopoly of United States mills. That country's share totalled \$247,974, which was 98 per cent of the total imports. Canada with shipments valued at \$4,613 was the only other supplier of note.

EXPORTS BY COUNTRIES

The following table shows the values of exports from the Dominican Republic in 1938 and 1937 to the Republic's leading customers:—

	1938	1937
Total	\$14,347,033	\$18,120,471
United Kingdom	5,980,108	5,430,447
United States	4,606,835	5,832,213
France	1,152,687	2,594,744
Germany	483,995	589,033
Morocco	412,355	1,076,853
Netherlands	400,257	561,894
Dutch West Indies	354,471	259,453
Puerto Rico	333,478	518,986
New Zealand	199,572	389,750
Belgium	74,244	6,329
Japan	34,934	235,263
Others	314,097	625,506

The United Kingdom regained the position of the Republic's chief customer which it had lost to the United States in 1937. In 1938 the United Kingdom purchased 42 per cent of the total Dominican exports as compared with only 31 per cent in the previous year. In both years sales to the United States accounted for 32 per cent of the respective totals. Exports to France dropped from 14 per cent of total exports in 1937 to 8 per cent in the year under review, and those to Germany remained stationary at 8 per cent. Moroccan purchases of Dominican products fell off from 6 per cent to 3 per cent and those of the Netherlands remained at 3 per cent.

EXPORTS BY CHIEF COMMODITIES

The following table lists the values of exports of principal commodities in 1938 and 1937:—

Commodity	1938	1937
Sugar, raw	\$8,592,050	\$10,683,331
Cacao	1,917,659	2,523,729
Coffee	1,040,190	1,765,055
Molasses	615,841	844,240
Tobacco leaf	403,753	172,260
Gold	236,038	262,453
Corn	211,646	319,325
Cattle	152,376	101,620
Bananas	95,408	28,964
Cattle hides	88,302	194,655

Sugar and sugar cane products combined formed 66 per cent of the total Dominican exports of all commodities, demonstrating the importance to the country of this crop. Any restriction in overseas sales, or any marked drop in price of sugar and sugar cane products, has a serious adverse effect on the purchasing power of the Republic. The severe drop of about 20 per cent in raw sugar exports in 1938, as compared with 1937, constituted more than one-half of the decrease in the 1938 total exports. The export value of raw sugar alone made up 60 per cent of the total sales abroad in the year under review. Exports to the United Kingdom were valued at \$5,875,305 or 68 per cent of the total value of sugar exports, showing a considerable increase over the value of \$5,249,647 or 49 per cent of the total in 1937. Those to the United States were valued at \$1,208,295 or 14 per cent of the total (\$1,624,575 or 15 per cent in 1937). The remaining chief consumers with the values in each case were: France, \$727,269 (\$1,553,672); Morocco, \$411,155 (\$1,076,853); New Zealand, \$199,572 (\$389,750); and the Netherlands, \$112,300 (\$315,322). It is noteworthy that the average price of raw sugar in 1938 was \$1 per hundred-weight as compared with \$1.12 in 1937.

Cacao, the second most important crop, had a bad year. Although the quantity exported was 45 per cent greater than in 1937 and very close to the record sales of 1935, the price was severely cut and the value received was 24 per cent less than in 1937. The United States, the principal consumer of this crop, purchased 90 per cent of the total exports, paying therefor \$1,734,714. Germany was next with \$155,576 or 8 per cent.

Exports of coffee declined appreciably in quantity and severely in price. Most of the decline was due to the smaller purchases of France, the chief outlet for this product. Exports to France were valued at \$380,282 (37 per cent of the total) as compared with \$987,549 (56 per cent) in 1937. Exports to other main consumers were: United States, \$358,236 (34 per cent); the Netherlands, \$127,459 (12 per cent).

All the molasses exported went to the United States.

Exports of no commodities, except those noted, account for more than 2 per cent of the total.

TRADE WITH CANADA

The interchange of goods between Canada and the Dominican Republic is of comparatively small value. Imports into the Republic from Canada are fairly steady, but exports to Canada vary widely in accordance with the competitive position of Dominican sugar in the Canadian market.

The following table shows the imports from and exports to Canada for the years 1931 to 1938 inclusive:—

Year	Imports	Exports
1931	\$323,630	\$ 502,784
1932	261,426	91,746
1933	260,183	59,136
1934	271,915	1,275,515
1935	169,481	.....
1936	203,244	100
1937	203,348	.....
1938	127,929	12

EXPORTS

Although the negligible amount of \$12 is listed as the total of Dominican exports to Canada in 1938 it is probable that an appreciable amount of Dominican products was purchased by Canadian importers from consignment stocks held in the United States. Due to the fact that there is no direct regular shipping service between Canada and the Republic, it is easier for Canadian importers to draw upon such stocks at need than to purchase direct. All such goods, later consumed in Canada, having been shipped originally to United States ports, are automatically credited in the Dominican trade statistics to that country.

IMPORTS

The lack of steamship services noted above similarly handicaps Canadian sales to the Republic. Almost all shipments must be dispatched through New York, necessitating either transshipment at that port or an expensive rail haul thereto and resulting in high shipping costs. With many commodities this extra cost is sufficient to make Canadian goods non-competitive. In recent years as well, dried fish, Canada's largest export item, has suffered from a tariff handicap which has almost barred it from the market. This tariff barrier has just been removed and considerably increased exports to the Republic of dried fish are expected to result.

The following table gives the values of the chief commodities shipped by Canada to the Republic in 1938 and 1937:—

Commodity	1938	1937
Rubber tires and tubes	\$ 34,051	\$ 12,914
Smoked herring and other fish	23,443	43,469
Wheat in grain	19,535	57,347
Cereal preparations	11,371	11,898
Dry salt cod and other fish	7,272	20,294
Chemical and pharmaceutical products	5,016	2,755
Wheat flour	4,613	6,725
Potatoes, fresh	3,635	8,124
Tallow for soap	2,880	19,570
Copper and manufactures	2,025	1,434
Simple bodies, chemical and pharmaceutical	1,566	1,978
Iron pipes and fittings	1,518	1,387
Writing and printing paper	1,424	5,931
Miscellaneous paper products	1,398	2,276
Miscellaneous rubber products	668	482
Silk hosiery	572	1,233
Agricultural machinery and tools	509	.....
Fresh fruits	502	.....
All other products	5,931	5,531
Total	\$127,929	\$203,348

Beyond the items in the above table, no other exports exceeded a value of \$500.

The backbone of Canadian exports to the Republic has always been the dried and smoked fish trade and, to a lesser extent, wheat in recent years. The fish trade has been steadily decreasing since the conclusion of the France-Dominican Republic Trade Treaty whereby French dried salt fish was exempted from the internal revenue tax of 5 cents per kilogram. This exemption was enjoyed also by the United States under its most-favoured-nation agreement with the Republic. The year under review was no exception to this trend. Although under the treaty French smoked fish was not relieved of a similar tax, the tendency to purchase this type in the same market as the salt variety acted to reduce appreciably the Republic's purchases of Canadian smoked fish. There was no relief from this situation in 1939 until December 15, when this treaty was suspended. The result is that Canadian dried and smoked fish are now on exactly the same tariff basis as those from all other countries,

including the United States, and it is expected that Canadian exporters will be able to regain their previous volume of trade in these products as soon as new connections can be established with importers.

The large decrease in wheat sales was due entirely to the high price of Canadian wheat during 1938 until that year's crop was harvested. Higher prices also accounted for the drop in wheat flour.

The considerably increased exports of rubber tires and tubes compensated in some measure for the losses sustained in other items.

The tendency to use locally grown seed contributed largely to the falling-off in the potato imports from Canada. Prices ruling on Canadian tallow were higher than those on tallow from other sources, and this difference accounted for the sharp decrease in sales of that commodity.

Other commodities of less importance shipped to the Republic by Canada during the year under review were as follows:—

Engines, \$466; blank books, \$438; brushes of bristles or hair, \$433; condensed milk, \$431; miscellaneous machinery, \$417; books and other printed matter, \$383; wrapping paper, \$375; liquors and beverages, \$350; iron and steel household ware, \$322; miscellaneous iron and steel products, \$322; electric machinery and apparatus, \$207; wooden products, \$188; iron and steel cutlery, \$180; typewriters, \$176; vegetable products for pharmaceutical use, \$123; inks, \$119; miscellaneous cotton goods, \$108; earthenware, porcelain and pottery, \$106; paints and pigments, \$105.

TARIFF CHANGES AND TRADE REGULATIONS

United Kingdom

BUTTER SUBJECTED TO IMPORT LICENSING

Mr. Frederic Hudd, Chief Canadian Trade Commissioner in the United Kingdom, in a cablegram of March 1 advises that, at the request of the Ministry of Food, butter has been added to the list of goods the importation of which into the United Kingdom is prohibited except under licence. The new order is effective March 2, but goods despatched before that date will not require a licence. The purpose of the order, the cablegram states, is to enable the Ministry to secure proper control.

Barbados

RELAXATION IN IMPORT RESTRICTIONS ON CANADIAN GOODS

A Barbados Order of November 14, 1939, prohibiting imports under 78 items, except when originating in the United Kingdom or other sterling areas, and subjecting to licence imports from Canada and other non-sterling countries under 53 items (see *Commercial Intelligence Journal* No. 1871, December 9, 1939, page 1114), was cancelled by an order of January 13, 1940. This new order reads:—

Save as hereinafter provided, no person shall import any goods into this Island, except under licence granted by or on behalf of the Governor and upon complying with any conditions and limitations which may be set out in such licence.

The provisions of this Order shall not apply to the importation of any goods which are shown to the satisfaction of the Comptroller of Customs to have been ordered on or before the 22nd day of January, one thousand nine hundred and forty.

The effect of this order is that imports from Canada are now on a parity with imports from the United Kingdom and other parts of the British Empire. Under the modified import restrictions the Trade Commissioner reports only a few articles are refused admission.

Cuba

MINIMUM TARIFF ON CODFISH AND BEANS CONTINUED

With reference to the notice in *Commercial Intelligence Journal* No. 1865 (October 28, 1939), page 804, regarding the tariff on codfish and beans, Mr. C. S. Bissett, Canadian Trade Commissioner in Havana, advises that, effective

February 2, 1940, for the ensuing six months, the minimum tariff on these products has been renewed irrespective of country of origin. This means that codfish and beans, when of Canadian origin, will continue to enter under the minimum tariff of Cuba without the 25 per cent surcharge which at present applies to most dutiable goods imported into Cuba from Canada.

Ecuador

REMOVAL OF SURCHARGE ON MACHINERY FOR INDUSTRIAL AND AGRICULTURAL PURPOSES

Mr. S. G. MacDonald, Assistant Canadian Trade Commissioner at Lima, writes that an Ecuadorean decree of December 23, 1939, removes the surcharge of 50 per cent, applicable to countries with which Ecuador has an unfavourable trade balance, from imports of machinery destined for agriculture and industry, and also from imports of anilines, cotton and artificial silk yarns to be used exclusively by industries established in Ecuador.

EXCHANGE CONDITIONS IN BULGARIA

HENRI TURCOT, CANADIAN TRADE COMMISSIONER

Cairo, January 30, 1940.—Foreign trade and foreign exchange in Bulgaria are under the control of the National Bank. Import permits are issued on the basis of quotas or compensation, while foreign exchange is granted under certain conditions.

The quota system is actually applicable only to countries which are in straightforward clearing relations with Bulgaria. The number of such countries is now reduced to one, which is Germany.

Trade with Canada may be conducted on compensatory trade lines only. In other words, in order to obtain the requisite amount of Canadian exchange, the Bulgarian importer would have to export goods to Canada or purchase the exchange on the authorized compensation market from a firm which had already exported goods to Canada under a National Bank licence; the principle of compensatory trade being that exports must pay for imports. The proportion of exchange derived from exports to Canada which the exporter may dispose of on the compensation market depends upon the percentage of exchange deliverable to the National Bank. In principle, the foreign exchange accruing from exports to Canada should be devoted to the purchase of Canadian goods, in conformity with the terms of the compensatory trade agreement between the local firm and the National Bank; but in practice this principle may not be adhered to strictly.

In any event, a Bulgarian firm desiring to import Canadian goods would make sure that the necessary exchange is available and having done so, would be able to pay cash against shipping documents either at port of shipment or at port of discharge. However, bearing in mind the acute shortage of Canadian or other "free" exchange in Bulgaria, Canadian exporters should satisfy themselves, prior to shipping to that country, that the Bulgarian merchant has definitely set aside the requisite amount of exchange for buying out the documents from the local bank.

The maximum premium payable on foreign exchange in Bulgaria is fixed by law at 35 per cent on the official (gold standard) rate of exchange for any given currency. Economic conditions, however, have rendered the legal rate of premium completely inoperative for all practical purposes. For the "free" currencies, including Canadian dollars, importers have at present to pay a premium of close to 100 per cent (35 per cent in the regular way and about 65 per cent clandestinely).

FOREIGN EXCHANGE QUOTATIONS: WEEK ENDING MARCH 4, 1940

The Foreign Exchange Division of the Bank of Canada has furnished the following statement of the nominal closing quotations for all the principal exchanges for the week ending Monday, March 4, 1940, and for the week ending Monday, February 26, 1940, with the official bank rate:—

Country	Unit	Present or Former Gold Parity	Nominal Quotations in Montreal Week ending Feb. 26	Nominal Quotations in Montreal Week ending March 4	Official Bank Rate
Belgium	Belga	.1001	\$.1874	\$.1871	2
Bulgaria	Lev	.0072	—	—	—
Denmark	Krone	.2680	.2143	.2143	5½
Finland	Markka	.0252	.0189	.0175	4
France	Franc	.0392	.0248	.0245	2
Great Britain	Pound	4.8666	—	—	—
	Buying	—	4.4300	4.4300	2
	Selling	—	4.4700	4.4700	—
Greece	Drachma	.0130	.0080	.0079	6
Holland	Guilder	.4020	.5903	.5897	3
Hungary	Pengo	.1749	.3227	.3227	4
	Unofficial	—	.1954	.1953	—
Italy	Lira	.0526	.0560	.0560	4½
Yugoslavia	Dinar	.0176	.0250	.0250	5
Norway	Krone	.2680	.2520	.2521	4½
Portugal	Escudo	.0442	.0403	.0401	4½
Roumania	Leu	.0060	—	—	3½
Spain	Peseta	.1930	—	.1104	5
Sweden	Krona	.2680	.2642	.2643	3
Switzerland	Franc	.1930	.2489	.2489	1½
United States	Dollar	1.0000	—	—	—
	Buying	—	1.1000	1.1000	1
	Selling	—	1.1100	1.1100	—
Mexico	Peso	.4985	.1849	.1849	3
Cuba	Peso	1.0000	—	—	—
Guadeloupe	Franc	.0392	.0248	.0245	—
Jamaica	Pound	4.8666	4.4800	4.4800	—
Martinique	Franc	.0392	.0248	.0245	—
Other British West Indies	Dollar	1.0138	.9313	.9313	—
Argentina	Peso (Paper)	.4245	.3304	.3304	3½
	Free	—	.2587	.2597	—
Brazil	Milreis (Paper)	.1196	.0673	.0673	—
	Free	—	.0558	.0558	—
British Guiana	Dollar	1.0138	.9313	.9313	—
Chile	Peso	.1217	.0573	.0573	3-4½
	Export	—	.0444	.0444	—
Colombia	Peso	.9733	.6356	.6343	4
Peru	Sol	.2800	—	—	6
Venezuela	Bolivar	.1930	—	—	—
Uruguay	Peso	1.0342	—	—	—
	Controlled	—	.7307	.7307	—
	Uncontrolled	—	.4211	.4274	—
South Africa	Pound	4.8666	4.4600	4.4600	3½
Egypt	Pound (100 Piastres)	4.9431	4.5800	4.5800	—
China (Shanghai)	Dollar	—	.0754	.0745	—
Hongkong	Dollar	—	.2718	.2695	—
India	Rupee	.3650	.3227	.3227	3
Japan	Yen	.4985	.2602	.2602	3.29
Java	Guilder	.4020	—	—	—
Thailand (Siam)	Baht (Tical)	.4424	.4018	.3941	—
Straits Settlements	Dollar	.5678	.5145	.5096	—
Australia	Pound	4.8666	3.5800	3.5800	3
New Zealand	Pound	4.8666	3.5900	3.5900	4

The Dominion Bureau of Statistics has supplied the following note:—

Official buying and selling rates set by the Canadian Foreign Exchange Control Board for sterling and United States funds remained unchanged at \$4.43-\$4.47 and \$1.10-\$1.11, respectively, during the week ended March 4. During the same interval there was a sharp drop in sterling free rates at New York, and the free rate closed the week at \$3.91½ for a net loss of 3¾ cents. Canadian funds, reacting to the pound, dipped ¼ cent to finish at 86½ cents. French franc rates at Montreal were off 2 points to 2.46 cents as the week closed, coinciding with sterling weakness at New York and reports of a 22 per cent revaluation in Bank of France gold reserves. There were moderate losses for neutral European units during the week, belgas closing 3 points lower at 18.71 cents, while the Netherlands florin dropped 6 points to 58.97 cents.

TRADE OPPORTUNITIES ABROAD FOR CANADIAN PRODUCTS

The Trade Inquiries for Canadian products published below have been received since the publication of the last issue of the *Commercial Intelligence Journal*. Interested exporters may secure the names and addresses of the firms making these inquiries, together with further details regarding the commodities required, on application to the Director, Commercial Intelligence Branch, Department of Trade and Commerce, Ottawa, or—

Secretary, Board of Trade—

Saint John, N.B.
Halifax, N.S.
Quebec, P.Q.
Montreal, P.Q.
Toronto, Ont.
Chatham, Ont.

Guelph, Ont.
Kitchener, Ont.
Brantford, Ont.
Stratford, Ont.
Woodstock, Ont.
St. Mary's, Ont.

Portage la Prairie, Man.
St. Boniface, Man.
Winnipeg, Man.
Vancouver, B.C.
New Westminster, B.C.

Secretary, Chamber of Commerce—

Sherbrooke, P.Q.
Kingston, Ont.
Oshawa, Ont.
Belleville, Ont.

Peterborough, Ont.
London, Ont.
St. Catharines, Ont.
Hamilton, Ont.

Victoria, B.C.
Prince Rupert, B.C.

Windsor Chamber of Commerce, Windsor, Ont.

Commercial Intelligence Service, Department of Municipal Affairs, Trade and Commerce, Quebec.

Department of Industry, Brantford, Ont.

Industrial Commissioner, Stratford, Ont.

La Chambre de Commerce de Montréal, 25 St. James E., Montreal, P.Q.

Secretary, Canadian Manufacturers Association—

Toronto, Ont.
Montreal, P.Q.

Winnipeg, Man.
Edmonton, Alta.

Vancouver, B.C.
Victoria, B.C.

Director, Bureau of Industrial and Trade Extension, Department of Trade and Industry, Victoria, B.C.

Canadian exporters should, for follow-up purposes, transmit a copy of any reply sent in response to a Trade Inquiry to the Trade Commissioner in the territory from which the inquiry emanated.

Commodity	No.	Location of Inquirer	Purchase or Agency
Miscellaneous—			
Cotton and Lisle Hosiery (Ladies').....	139	London, England.....	Agency.
Cotton and Lisle Hosiery (Ladies').....	140	London, England.....	Purchase.
Underwear (Fleeced).....	141	Glasgow, Scotland.....	Agency.
Fabric for manufacture of Type-writer Ribbons.....	142	Sydney, Australia.....	Purchase and Agency.
Crockery.....	143	Melbourne, Australia.....	Purchase and Agency.
Aluminium Saucepans.....	144	Melbourne, Australia.....	Purchase and Agency.
Aluminium Frying Pans (Round Spun).....	145	Melbourne, Australia.....	Purchase and Agency.
Pine Tar.....	146	Birmingham, England.....	Purchase.
Grinding Balls.....	147	London, England.....	Agency.
Liner Plates for Hardinge Ball Mills.....	148	London, England.....	Purchase and Agency.
Steel Castings.....	149	London, England.....	Agency.
Castings and Forgings for Ship-building Yards.....	150	London, England.....	Agency.
Flanges.....	151	London, England.....	Agency.
Water Taps and Fittings.....	152	Tel-Aviv, Palestine.....	Agency.
Magnetos.....	153	Sydney, Australia.....	Agency.
Bayonet Plugs for Light Bulbs...	154	London, England.....	Agency.
Lubricators, Blued Steel, Screw Pressure.....	155	Melbourne, Australia.....	Purchase and Agency.
Tools.....	156	Sydney, Australia.....	Agency.

COMMERCIAL INTELLIGENCE SERVICE

L. D. WILGRESS, *Director*

Argentina

J. A. STRONG, B. Mitre 430, Buenos Aires (1). (Territory includes Uruguay.) *Cable address, Canadian.*

Australia

Sydney: L. M. COSGRAVE. Address for letters—P.O. Box No. 3952V. Office—City Mutual Life Building, Hunter and Bligh Streets. (Territory includes the Australian Capital Territory, New South Wales, Queensland, Northern Territory and Dependencies.) *Cable address, Canadian.*

Melbourne: FREDERICK PALMER, 83 William Street, Melbourne, C.1. (Territory includes States of Victoria, South Australia, Western Australia, and Tasmania.) *Cable address, Canadian.*

Belgium and Luxemburg

YVES LAMONTAGNE, Commercial Attaché, Shell Building, 60 rue Ravenstein, Brussels. *Cable address, Canadian.*

Brazil

L. S. GLASS. Address for letters—Caixa Postal 2164, Rio de Janeiro. Office—Ed. Da. "A. Noite," Sala 802, Praca Maua. *Cable address, Canadian.*

British India

PAUL SYKES. Address for letters—P.O. Box 886, Bombay. Office—Gresham Assurance House, Mint Road, Bombay. (Territory includes Burma and Ceylon.) *Cable address, Canadian.*

British Malaya

J. L. MUTTER, Union Building, Singapore, Straits Settlements. (Territory includes the Straits Settlements, the Federated Malay States, the Unfederated Malay States, Thailand, British Borneo, and Netherlands India.) *Cable address, Canadian.*

British West Indies

Trinidad: M. B. PALMER. Address for letters—P.O. Box 125, Port of Spain. Office—Barclay's Bank Building. (Territory includes Barbados, Windward and Leeward Islands, and British Guiana.) *Cable address, Canadian.*

Jamaica: F. W. FRASER, P.O. Box 225, Kingston. Office—Canadian Bank of Commerce Chambers. (Territory includes the Bahamas and British Honduras.) *Cable address, Canadian.*

China

V. E. DUCLOS. Address for letters—P.O. Box 264, Shanghai. Office—Ewo Building, 27 The Bund, Shanghai. (Territory includes Central China and North China.) *Cable address, Canadian.*

Cuba

C. S. BISSETT. Address for letters—Apartado 1945, Havana. Office—Royal Bank of Canada Building, Calle Aguiar 367, Havana. (Territory includes Haiti, the Dominican Republic, and Puerto Rico.) *Cable address, Canadian.*

Egypt

HENRI TURCOT. Address for letters—P.O. Box 1770, Cairo. Office—22 Shari Kasr el Nil, Cairo. (Territory includes the Sudan, Palestine, Cyprus, Iraq, Syria, Iran, Greece, Turkey, Bulgaria, and Roumania.) *Cable address, Canadian.*

France

HERCULE BARRÉ, Commercial Attaché, 3 rue Scribe, Paris (9). (Territory includes French Colonies in North Africa.) *Cable address, Cancomac.*

Hongkong

P. V. McLANE. Address for letters—P.O. Box 80, Hongkong. Office—Hongkong and Shanghai Bank Building, Hongkong. (Territory includes South China, the Philippines, and Indo-China.) *Cable address, Canadian.*

Ireland

JAMES CORMACK, 66 Upper O'Connell Street, Dublin, Ireland (*cable address, Canadian*); and 36 Victoria Square, Belfast, Northern Ireland.

Italy

A. B. MUDDIMAN, Via Manzoni Nr. 5, Milan (102). (Territory includes Spain, Portugal, Gibraltar, Malta, Albania, and Yugoslavia.) *Cable address, Canadian.*

CANADIAN GOVERNMENT TRADE COMMISSIONERS—*Con.*

Japan

C. M. CROFT. Commercial Secretary. Address for letters—P.O. Box 18, Akasaka Post Office, Tokyo. Office—Canadian Legation, 16 Omotecho, 3-chome, Akasakaku, Tokyo. *Cable address, Canadian.*

Mexico

R. T. YOUNG. Address for letters—Apartado Num. 126-Bis, Mexico City. Office—Edificio Banco de Londres y Mexico, Num. 30, Mexico City. (Territory includes Guatemala, Honduras, and Salvador.) *Cable address, Canadian.*

Netherlands

J. A. LANGLEY. Commercial Attaché, Coolsingel 111b, Rotterdam. (Territory includes Switzerland.) *Cable address, Canadian.*

New Zealand

W. F. BULL. Address for letters—P.O. Box 33, Auckland. Office—Yorkshire House, Shortland Street, Auckland. (Territory includes Fiji and Western Samoa.) *Cable address, Canadian.*

Norway

RICHARD GREW. Stortingsgaten 28, Oslo. (Territory includes Sweden, Denmark, and Finland.) *Cable address, Canadian.*

Panama

H. W. BRIGHTON. Address for letters—P.O. Box 222, Panama City. Office—98 Central Avenue, Panama City. (Territory includes the Canal Zone, Venezuela, Colombia, Nicaragua, and Costa Rica.) *Cable address, Canadian.*

Peru

M. J. VECHSLER. Address for letters—Casilla 1212, Lima. Office—Edificio Boza, Carabaya 831, Plaza San Martin, Lima. (Territory includes Bolivia, Ecuador, and Chile.) *Cable address, Canadian.*

South Africa

Cape Town: J. C. MACGILLIVRAY. Address for letters—P.O. Box 683. Office—New South African Mutual Buildings, 17 Parliament Street. (Territory includes Cape Province and Southwest Africa, Natal, Tanganyika, Kenya, Uganda, Mauritius, and Madagascar.) *Cable address, Cantracom.*

Johannesburg: J. H. ENGLISH. Address for letters—P.O. Box 715. Office—Prudential Assurance Building, 92 Fox Street. (Territory includes Transvaal, Orange Free State, the Rhodesias, Portuguese East Africa, Mozambique, and Nyasaland.) *Cable address, Cantracom.*

United Kingdom

London: FREDERIC HUDD, Chief Trade Commissioner in the United Kingdom, Canada House, Trafalgar Square, S.W. 1. *Cable address, Sleighing, London.*

London: G. R. HEASMAN, Trade Commissioner, Canada House, Trafalgar Square, S.W. 1. (Territory includes Home Counties, Southeastern Counties, and East Anglia; also British West Africa.) *Cable address, Sleighing, London.*

London: W. B. GORNALL, Fruit Trade Commissioner, Aldine House, Bedford Street, Strand, W.C. 2. *Cable address, Canfrucum.* (Territory—for fresh fruit only—includes United Kingdom, Norway, Denmark, Sweden, France, Holland, and Belgium).

London: G. R. PATERSON, ANIMAL PRODUCTS TRADE COMMISSIONER, Canada House, Trafalgar Square, S.W. 1. *Cable address, Agrilson.*

Liverpool: A. E. BRYAN, Martins Bank Building, Water Street. (Territory includes North of England, Lincolnshire, North Midlands, and North Wales.) *Cable address, Canadian.*

Bristol: E. L. MCCOLL, Northcliffe House, Colston Avenue. (Territory includes West of England, South Wales, and South Midlands.) *Cable address, Canadian.*

Glasgow: G. B. JOHNSON, 200 St. Vincent Street. (Territory covers Scotland.) *Cable address, Cantracom.*

United States

New York City: D. S. COLE, British Empire Building, Rockefeller Center. (Territory includes Bermuda.) *Cable address, Cantracom.*

Chicago: W. J. RIDDIFORD, Tribune Tower, 435 North Michigan Avenue. *Cable address, Canadian.*

Los Angeles: B. C. BUTLER, Associated Realty Building, 510 West Sixth Street. *Cable address, Canadian.*

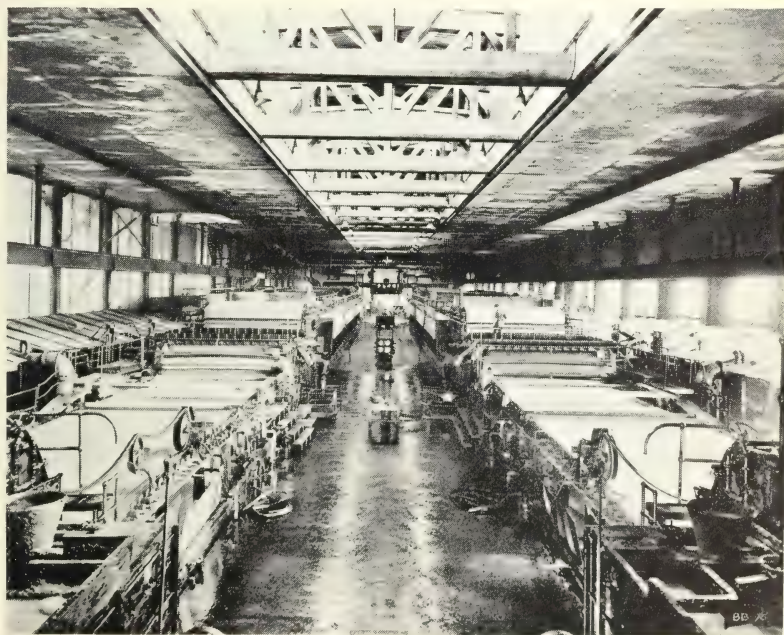
Note.—Bentley's Second Phrase Code is used by Canadian Trade Commissioners.

COMMERCIAL
INTELLIGENCE
JOURNAL

Vol. LXII

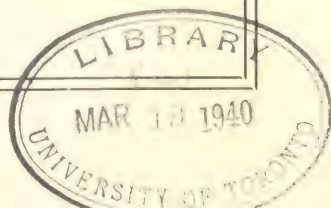
Ottawa, March 16, 1940

No. 1885



Large Newsprint Machine in Operation in a Quebec Mill

ISSUED BY AUTHORITY OF
THE HON. W. D. EULER, MINISTER OF TRADE AND COMMERCE
JAMES G. PARMELEE, DEPUTY MINISTER



CONTENTS

	Page
Trade Commissioners in British West Indies to Visit Canada..	399
Displacement of German Trade with Brazil.....	399
Manufacture of Tire and Flax Fabrics in Australia.....	403
Wheat and Flour Trade of Finland.....	404
Economic Conditions in Mexico, 1939.....	411
Rice Production in Mexico.....	414
Trade of Cuba in 1938	416
Trade Agreement between Canada and Dominican Republic Concluded	422
Tariff Changes and Trade Regulations	423
Exchange Conditions in Foreign Countries: China.....	425
Foreign Exchange Quotations	426
Trade Inquiries for Canadian Products.....	427
Commercial Intelligence Service	429

COMMERCIAL INTELLIGENCE JOURNAL

Issued Every Saturday by the Department of Trade and Commerce

PUBLISHED in English and French. Subscription Price for either edition: \$1 per annum in Canada (single copies 5 cents each); \$3.50 outside the Dominion (single copies 10 cents each). Remittances, which may be made by Post Office or Express Orders, or Drafts, or Cheques, payable at par in Ottawa, should be addressed to the King's Printer, Government Printing Bureau, Ottawa.

Vol. LXII

Ottawa, March 16, 1940

No. 1885

TRADE COMMISSIONERS IN BRITISH WEST INDIES TO VISIT CANADA

Mr. M. B. Palmer, Canadian Trade Commissioner at Port of Spain, Trinidad (whose territory includes Barbados, Windward and Leeward Islands, and British Guiana), and Mr. F. W. Fraser, Canadian Trade Commissioner at Kingston, Jamaica (whose territory includes the Bahamas and British Honduras), are returning to Canada in May, when each will make a tour of the Dominion.

Canadian firms wishing to have Mr. Palmer or Mr. Fraser make investigations in their behalf before leaving their posts for Canada should communicate with them as early as possible.

Mr. Palmer's address for letters is P.O. Box 125, Port of Spain, Trinidad; Mr. Fraser's address for letters is P.O. Box 225, Kingston, Jamaica.

DISPLACEMENT OF GERMAN TRADE WITH BRAZIL

L. S. GLASS, CANADIAN TRADE COMMISSIONER

Rio de Janeiro, February 14, 1940.—The curtailment of German exports to Brazil and the improvement which has taken place in Brazil's foreign exchange supply may well give Canadian exporters an excellent opportunity to increase their export business with Brazil. A list, covering some six hundred commodities of which Germany was an important supplier to Brazil, is available from the Department of Trade and Commerce, Ottawa. In this list is shown the value of imports from Germany and the value of imports from all countries for each commodity during 1938. In this report only the main groups and more important items will be considered.

BALANCE OF TRADE

Brazil's international trade for the eleven months of 1939 resulted in a favourable balance equivalent to \$50,000,000, despite the fact that in the first four months there was an unfavourable balance. Had the trade results in the first four months been equal to that of the succeeding seven, Brazil could have anticipated a favourable balance of about \$86,000,000; as it is, the balance will be the second largest since 1934. This improvement has been due to an increase in exports and a decrease in imports.

It is significant that this process was general throughout the year and does not owe its origin to abnormal wartime conditions. This would seem to indicate that there is every possibility that the improvement will continue in 1940 and may be even accelerated by an increased demand for Brazilian products, which is already being felt as a result of the war. Since September export values have continued to show an increase over 1938, although exports to Germany for the months September to November dropped nearly \$14,000,000 from the average for that period.

FOREIGN EXCHANGE

Brazil appears to have an adequate supply of foreign exchange to meet all commercial requirements and there is no indication of a future shortage. Exporters may look upon this market with a greater degree of confidence than they have been able to do for some years and there would seem to be no reason to refuse business. Except in exceptional cases it is impossible to obtain foreign exchange before imported goods have been actually cleared through the customs. Therefore it may be said that the best terms possible are cash against documents. In the case of well-reputed firms there is no reason to refuse reasonable credit.

DECLINE IN IMPORTS FROM GERMANY AND SCANDINAVIA

Besides the undoubted advantages offered by more stable exchange conditions, Canadian exporters may also be able to take advantage of the almost complete cessation of imports from German sources. Average monthly imports from Germany for the first eight months of the year were valued at \$5,770,000; for September, October and November the respective values were \$1,584,200, \$435,040 and \$922,071. This decline in trade is not confined to Germany alone. The territories which have been occupied by Germany were also important shippers to Brazil, and the difficulties of navigation in the North Sea and the hostilities between Finland and Russia have brought about a decrease in imports from the Scandinavian countries as well.

IMPORTS FROM GERMANY

In the following paragraphs are given the values of the more important items in each main commodity group imported into Brazil from Germany in 1938, the total value of imports from all sources being shown within parentheses in order to indicate the German share of Brazilian purchases.

Animal Products.—With the exception of silk and wool, which will be covered under the heading of "textiles and allied products," Brazil's imports of animal products from Germany were confined to hides and skins valued at \$37,000 (\$115,000); leather, including patent leather, \$468,000 (\$616,000); and pelts and furs, imports of which from Germany were unimportant.

Agricultural Products.—Germany shipped hops to the value of \$277,000 (\$329,000); seed potatoes valued at \$15,000 (\$66,000); herbs, linseed oil, medicinal seeds and garden seeds. These represent most of the imports from Germany under the above heading.

Pulp and Paper.—Although most of the Brazilian imports of pulp and paper originate in the Scandinavian countries and Finland, Germany before the war was an important supplier of items in this group. Importations of wood pulp from Germany amounted to \$277,000; newsprint, \$657,000; other printing paper, \$121,000; drawing paper, \$17,000; tracing tissues, \$160,000; while the value of other types of paper, including specially cut paper for business machines and mechanical devices, cardboard, pasteboard, fibreboard, etc., was approximately \$350,000. Manufactures of paper, such as calendars, lithographed wares, etc., were purchased from Germany to the value of \$59,000.

Coal.—Approximately two-thirds of the coal fuels imported into Brazil in 1938 came from Germany. Values of imports from Germany by items were: coal, \$6,778,000 (\$12,723,000); coke, \$338,000 (\$481,000); briquettes, \$1,401,000 (\$1,747,000).

Iron and Steel.—Imports of unmanufactured iron and steel from Germany were valued at over \$4,000,000, and of iron and steel angles, tees, etc., at \$365,000.

Manufactured goods of iron and steel imported from Germany cover a very wide range, the following representing the more important items: cor-

rugated iron sheets for conduits, \$98,000; barbed wire, \$847,000; steel cable and cordage, \$194,000; plain or galvanized wire, \$1,166,000; padlocks, \$405,000; structural iron and steel, \$335,000; rails, \$480,000; barrels, cylinders and drums, \$119,000.

Copper Manufactures.—As in the case of iron and steel, Germany supplied the greater proportion of copper padlocks and locks to Brazil, shipping to the value of \$47,000 in a total of \$63,000. Of the \$51,000 worth of uninsulated copper wire imported, Germany supplied \$29,000 and of copper netting gauze, \$53,000 out of a total of \$67,000. Total imports of copper sheeting and foil for silver plating and gilding were valued at \$15,000, of which Germany supplied over \$13,000, while of copper tubes and pipes Germany supplied to the value of \$96,000 out of a total of \$208,000. Other articles imported to the value of approximately \$120,000 (\$338,000) were fancy goods and trinkets, household and office goods, and ornaments and copper parts for machinery.

Other Non-ferrous Metals.—Zinc plates and sheets were imported from Germany to the value of \$26,000 (\$78,000); printers' type, \$25,000 (\$42,000); various manufactures of aluminium, \$29,000 (\$66,000); nickel manufactures, \$11,000 (\$14,000).

China and Glass.—Of the total imports of glass and glass products valued at \$1,915,000, Germany supplied to the value of \$924,000. The most important of these were: plate glass, \$147,000 (\$589,000); sanitary glassware, \$121,000 (\$267,000); ampoules, \$148,000 (\$169,000); laboratory articles, \$155,000 (\$174,000); bottles and flasks, \$122,000 (\$184,000). The other articles making up the total were polished plate glass for silvering, glass tiles, ornaments, tableware and glass tubing.

China tableware was imported from Germany to the value of \$233,000 out of a total of \$818,000. The only other item in this group of any importance from Germany was china ornaments valued at \$59,000 (\$100,000).

Textiles: Cotton.—The total value of the imports of cotton goods was \$540,000, Germany supplying to \$59,000. This heading includes bleached and dyed piece-goods, velvets and plush, linings, muslins, ready-made clothing (of which the imports are very small), and articles n.o.p.

Textiles: Oilcloth.—Brazil imported oilcloth to the value of \$57,000, of which Germany supplied to the value of \$19,000.

Textiles: Wool.—Germany was an important supplier of the Brazilian requirements of wool. The value of wool yarn for weaving was \$525,000 (\$2,249,000) and of embroidery yarn, \$14,000 (\$49,000). The total value of woollen piece-goods imported was \$712,000, of which Germany supplied \$203,000. Imports of rugs and carpets from Germany were valued at \$73,000 (\$164,000); wool cloth for industry, \$201,000 (\$312,000); wool felt, \$69,000 (\$81,000).

Celluloid and Plastics.—Imports of celluloid from Germany were valued at \$120,000 (\$180,000), the most important item being celluloid sheets valued at \$100,000 (\$147,000). Buttons made of plastic material were imported from Germany to the value of \$8,000 (\$9,000), and electrical fittings, switches and sockets, made of plastics, to \$171,000 (\$244,000).

Chemicals.—Brazil has not a very fully developed chemical industry and depends almost entirely on imports for her supply of chemicals. No figures are available showing total imports of chemicals from different countries, but it may be stated confidently that Brazil obtained over 60 per cent of her requirements from Germany. It is impossible to enumerate more than the most important items in this category and exporters who are interested should refer to the lists mentioned earlier in this report.

Acids were imported from Germany in 1938 to the value of \$240,000 (\$507,000), the most important being oxalic acid, \$29,000 (\$32,000); tannic acid, \$48,000 (\$48,000); tartaric acid, \$54,000 (\$117,000); formic acid, \$27,000 (\$27,000); anhydrous acids, \$9,000 (\$9,000). Synthetic camphor was almost entirely imported from Germany the value being \$33,000 (\$35,000). Other important items purchased from Germany were: ethyl benzols and derivatives, \$82,000 (\$104,000); cyanides of sodium and potassium, \$98,000 (\$120,000); white lead, \$19,000 (\$30,000); potassium nitrate, \$24,000 (\$104,000); sulphides of sodium, \$116,000 (\$150,000); sulphates of aluminium, \$72,000 (\$120,000); sodium chromate, \$42,000 (\$67,000); lead arseniate, \$80,000 (\$96,000); sodium silicate, \$18,000 (\$24,000); potassium hydroxide, \$13,000 (\$15,000); sodium hydroxide, \$39,000 (\$1,800,000); zinc oxide, \$97,000 (\$298,000); liquid and compressed ammonia, \$54,000 (\$85,000).

Pharmaceutical Preparations and Drugs.—Imports under this heading from Germany were: hydrosulphites stabilized, \$113,000 (\$120,000); quinine, \$122,000 (\$193,000); alkaloids n.o.p., \$44,000 (\$50,000); capsules, pills and globules, \$345,000 (\$636,000); medicinal injections, \$704,000 (\$1,257,000); lysol and similar products, \$20,000 (\$20,000); serums, \$67,000 (\$146,000); drugs and pharmaceutical products n.o.p., \$975,000 (\$1,432,000); ammonium sulphate, \$139,000 (\$139,000); potassium chloride, \$172,000 (\$172,000); nitrofosca, \$135,000 (\$135,000).

Electric Products.—While most of the market for radio, telegraph and telephone equipment was supplied by the United States, Germany has in the past been an important shipper of such supplies. In 1938 the value of imports from Germany was \$956,000 out of approximately \$7,500,000. Leading items from Germany were: electro-thermic instruments, \$318,000 (\$483,000); dynamos and generators, \$845,000 (\$1,932,000); electric motors, \$200,000 (\$638,000); transformers, \$262,000 (\$924,000); pneumatic electric tools, \$43,000 (\$138,000); household electrical goods, excluding floor polishers and sweepers (in which line Germany has not been able to compete against the Swedish manufacturers), \$32,000 (\$67,000); electric meters, \$149,000 (\$393,000).

Agricultural Machinery.—Imports under this heading from Germany were: ploughs, \$268,000 (\$502,000); tractors, \$162,000 (\$1,206,000); other agricultural machinery, \$60,000 (\$448,000).

Machinery.—Germany supplied a large proportion of the industrial machinery imported into Brazil. Such imports in 1938 were: leather and shoe industry, \$275,000 (\$343,000); pulp and paper industry, \$22,000 (\$44,000); mining industry, \$115,000 (\$466,000); dairy equipment, including cream separators, \$89,000 (\$189,000); looms, \$310,000 (\$478,000). Germany supplied by far the bulk of the requirements of machinery for the treatment of ores and metals at \$1,400,000 (\$1,800,000). Other considerable items were: winches and hoists, \$60,000 (\$140,000); cranes, \$138,000 (\$377,000); pumps, \$192,000 (\$403,000); road machinery, \$145,000 (\$795,000).

Vehicles and Equipment.—Imports from Germany in this category had a substantial total value, values of leading items being: aeroplanes, \$1,253,000 (\$2,614,000); aeroplane motors, \$226,000 (\$375,000); passenger automobiles, \$529,000 (\$7,952,000); trucks, \$162,000 (\$336,000); automobile horns, \$6,000 (\$32,000); motor car lamps and signals, \$32,000 (\$32,000); railway cars, \$690,000 (\$6,343,000); tram cars, \$27,000 (\$263,000); motorcycles, \$180,000 (\$534,000); pedal vehicles, \$599,000 (\$683,000); locomotives, \$2,000,000 (\$2,500,000).

Miscellaneous Articles.—The values of the more important articles in this group purchased by Brazil from Germany in 1938 were: alarm clocks, \$166,000 (\$209,000); watches, \$14,000 (\$138,000); clocks, \$154,000 (\$177,000); cutlery, \$308,000 (\$408,000); heavy manual tools, such as shovels, picks, mauls, etc.,

\$616,000 (\$1,167,000); measuring tapes, other than of wood, \$22,000 (\$35,000); light hand tools, \$686,000 (\$1,145,000); tools for machines, \$227,000 (\$341,000); thermos flasks, \$48,000 (\$52,000); stationary engines, internal combustion or hot air, \$978,000 (\$1,587,000); pen nibs, \$12,000 (\$50,000); umbrella frames, \$15,000 (\$24,000).

MANUFACTURE OF TIRE AND FLAX FABRICS IN AUSTRALIA

FREDERICK PALMER, CANADIAN TRADE COMMISSIONER

(The Australian pound is equal in value to \$3.60 Canadian)

Melbourne, January 30, 1940.—The rate of industrialization in Australia increased rapidly during the last decade. As a result of the cessation of supplies of many manufactures from oversea sources during the last few months and of the conservation of foreign exchange for the purchase of goods essential for the satisfaction of defence and civil requirements, this rate may be expected to increase even more rapidly now.

Indicative of this trend is the recent announcement of the formation of a company to manufacture tire cord and fabric in Australia. With a nominal capital of £A.500,000, and an initial paid capital of £A.160,000, it is proposed to erect a tire fabric weaving mill at Melbourne at a cost of £A.50,000 together with additional expenditure for land and buildings. This will be additional to about £A.80,000 already expended by one of the two shareholding companies in the erection of plant for the spinning of the necessary cotton yarn.

The new company's plans do not envisage the immediate production of the requirements of all tire manufacturers in Australia, but merely the requirements of the second shareholding company which is engaged in manufacturing rubber tires and whose sources of supply from overseas were seriously jeopardized by the outbreak of hostilities. It is reported that the value of this company's annual consumption of tire cord and tire fabric reaches £A.400,000, all of which was previously imported.

Protection for the new industry was given by the Federal Government in December, 1939, with the announcement of ad valorem duties of 10 per cent on Empire-produced cotton tire cord and fabric and 35 per cent on foreign, in addition to a bounty. This, it is contended, will assure adequate protection to the industry in the early stages.

Running parallel with these developments, and as part of the new company's activities, is the proposal to establish an adjoining mill for the weaving of fabrics from Australian-grown flax. The new weaving plant will involve capital expenditure of £A.50,000; while a considerably greater investment, estimated to be at least £A.100,000, will be incurred by an entirely separate company in the treatment of the flax fibre and the manufacture of the yarn. Employment is expected to be given by both weaving enterprises to some 400 hands. This number will be augmented by those engaged in the growing and processing of flax.

In Australia flax canvas is used mainly for tarpaulins for railway and other purposes, for the manufacture of waterbags and fire hose, and for various defence purposes. Australia's requirements approximate 2,240,000 square yards of a normal landed value of between £A.300,000 and £A.350,000. Specifications for some of this material are exacting and, until it can be shown that flax canvas of Australian manufacture is of the requisite quality, permission will be sought by the Victorian Railways Commissioners to import their requirements under by-law. It might also be added that this proposal to manufacture flax canvas in Australia is contrary to the recommendations of the Commonwealth Tariff Board following its recent investigation of the proposal to establish a flax-growing and flax-weaving industry in Australia.

WHEAT AND FLOUR TRADE OF FINLAND

T. J. MONTY, ASSISTANT TRADE COMMISSIONER

Oslo, January 29, 1940.—As a result of the intensification of agricultural pursuits in Finland since the foundation of the Republic in 1919, Finland's dependence on imports of foreign foodstuffs in general, and of wheat and flour in particular, has decreased considerably.

Despite a growing domestic consumption, Finland has become increasingly self-supporting through her increased production of foodstuffs. Although imports of wheat have for a number of years been on the increase, together with an expansion in production, they have been decreasing since 1936, while wheat flour imports have been reduced by 80 per cent in the past ten years. During the same period, production of wheat has been multiplied ten times over, and the flour milling industry has been developed to a point where it can meet domestic requirements.

DOMESTIC PRODUCTION

The production of wheat in Finland has been increasing steadily and at a remarkable rate, especially during the past ten years. The following table shows the acreages sown to wheat and the yields in metric tons and bushels for the nine years 1930-38 inclusive:—

Year	Acrees	Metric Tons	Bushels
1930	34,750	23,564	865,506
1931	45,197	30,497	1,120,155
1932	58,622	40,354	1,482,202
1933	91,308	66,961	2,459,478
1934	124,813	89,264	3,277,667
1935	174,329	115,217	4,231,920
1936	208,197	143,118	5,246,723
1937	278,655	208,611	7,662,997
1938	322,617	254,900	9,362,477

While the acreage sown to wheat has increased approximately ninefold as between 1930 and 1938, production has increased nearly elevenfold during the same period—from 865,506 bushels in 1930 to 9,362,477 bushels in 1938. This increase in production indicates the success of the government policy in achieving agricultural self-sufficiency.

The increased production is particularly noticeable in the spring variety of wheat, which has advanced from a few thousand tons in the 1920's (7,600 tons spring wheat and 12,500 tons autumn wheat) to nearly 200,000 tons, or about 80 per cent of the total wheat production in 1938 (196,600 tons spring wheat and 58,300 tons autumn wheat).

The following table shows that, although the production of wheat has been increasing at a greater rate than that of other grain crops, it is still considerably smaller than the yields of oats and rye but has exceeded barley in the quantity produced since 1937:—

	1921-25 1,000 Metric Tons	1938
Autumn wheat	12.5	58.3
Spring wheat	7.6	196.6
Rye	287.5	368.5
Barley	125.9	207.4
Oats	501.2	835.7

FLOUR MILLING

Before the Great War all the wheat and a large portion of the rye purchased from abroad was imported in the form of flour. After the war the rye flour-milling industry progressed to the point where imports of this commodity became unnecessary. Thenceforth oats, barley and even rice were milled in Finland. The wheat-flour milling industry, on the other hand, did not begin to develop until 1931, when the duty on flour was increased. Since

that time a number of large wholesale mills and a still larger number of small ones have been built, and their combined capacity is now sufficient to meet the needs of the whole country, even though for reasons of commercial policy the import of this class of product still continues. The volume of imports is, however, reduced, as pointed out later in this report under "Imports of Flour."

The effect of the encouragement given to the flour-milling industry is shown by the latest available figures of production of wheat flour in Finland during the five-year period 1933-37 as follows: 1933, 32,472 metric tons; 1934, 38,840; 1935, 61,284; 1936, 77,502; 1937, 69,972 tons.

The increase in production between 1933 and 1936, during which period production more than doubled, appears to have subsided in 1937. During the same period imports of flour were halved. Arrested production is largely due to the policy of continuing imports, but may also be attributed to the fact that the output of Finnish mills is more than sufficient to take care of domestic requirements. Diminishing import figures of flour for the first eight months of 1939, which were half of those for the previous year (20,000 and 10,000 metric tons, respectively) would appear to bear this out.

Prior to 1933 the statistics of wheat flour production in Finland were not published, but if these figures were available they would probably show a steady advance from 1930, when efforts were made to develop the domestic industry by the imposition of a heavy import duty. These efforts would now appear to have been successful.

Milling practice is dealt with in the section of this report covering government policy in relation to wheat flour.

IMPORT TRADE IN WHEAT

Imports of wheat into Finland up to 1930 were practically negligible, but from that year onward, when the official policy of encouraging the domestic milling industry was adopted, imports have expanded. In 1930 the figure was 850 metric tons, and in 1936, the peak year, it had increased to 73,074 tons. Since 1936, however, imports have receded, presumably due to the increasing home production of wheat, referred to previously in this report.

Statistical returns do not specify countries of origin for imports of wheat prior to 1934, but the total imports for the four years 1930 to 1933 were as follows: 1930, 850 tons; 1931, 12,826; 1932, 31,115; 1933, 40,807.

From 1934 onward, countries of origin were as shown in the appended table:—

	1934	1935	1936	1937	1938
		Figures in Metric Tons			
Soviet Russia	4,416	958	1,695	735	6,675
Estonia . . . . .	....	4,840	2,993	3,000	....
Latvia . . . . .	....	320	....	....	....
Poland and Danzig . . . . .	....	1,058	1,211	....	....
Sweden . . . . .	....	2,239	5,159	120	91
Denmark	203	....	....	....	....
Germany	2,559	....	....	....	....
Netherlands	822	415	192	53	299
Belgium	619	303	960	....	....
Great Britain	659	....	....	....	....
France	513	741	1,174	....	....
Hungary . . . . .	....	....	808	391	....
Czecho-Slovakia . . . . .	....	....	730	2,174	53
Yugoslavia . . . . .	....	....	....	1,998	....
Bulgaria . . . . .	....	....	1,575	....	....
Turkey . . . . .	....	....	....	....	150
French Morocco . . . . .	....	499	....	....	....
Canada	16,838	25,299	39,682	23,670	28,891
United States	12,419	8,966	12,291	8,007	9,045
Mexico . . . . .	....	....	....	82	....
Uruguay . . . . .	....	....	....	100	....
Brazil . . . . .	....	98	....	....	....
Argentina	16,418	13,508	4,475	19,628	4,401
Australia	125	....	101	....	....
Total	55,643	59,246	73,074	60,013	49,605

As shown by the foregoing table, Finland's principal sources of supply for wheat during the past few years have been, in order of importance, Canada, Argentina, and the United States. During the five-year period 1934-38 these three countries combined have supplied nearly 82 per cent of the whole wheat demand, Canada accounting for 45 per cent, Argentina for 20 per cent, and the United States for 17 per cent. In regard to imports from the United States, it may be assumed that a large proportion, not to say the bulk of the imports, comprise shipments from Canada, since during the years 1934-36, which show substantial imports into Finland from that source, the United States had no export surplus.

Canada has therefore been the main source of supply for wheat for Finland, accounting for more than 50 per cent of the total imports during the past five years. This applies especially to 1938 when Canada supplied 58 per cent, an increase of 5,200 metric tons over the previous year's figures.

Imports from Argentina in 1938 show a 15,000-ton reduction from those in the previous year, being about the same as in 1936 and accounting for about 9 per cent of the total imports. Soviet Russia, which had not been a wheat factor since 1934, supplied 6,675 metric tons in 1938, or about 14 per cent, but these shipments were entirely discontinued in 1939.

Wheat import figures in 1939 are available for the first eight months only, and show that purchases have been almost entirely from Canada and the United States in about equal proportions, that is, 5,546 metric tons and 5,512 tons, respectively, accounting together for almost the total imports during that period. As compared with the first eight months of 1938, when total imports were 36,000 metric tons, figures for the similar period of 1939 show a considerable reduction, amounting to only 11,267 metric tons. Canada's share was reduced from 21,774 metric tons to 5,546 tons, whereas shipments from the United States show a slight increase from 4,741 tons in the 1938 period to 5,512 tons in 1939. The large proportion of these shipments were effected during the month of June, whereas in 1938 they were made in January and August.

The following table shows the quantities of wheat imported into Finland during the first eight months of 1938 and 1939 by principal countries of origin:—

	Jan.-Aug., 1938	Jan.-Aug., 1939
	M. Tons	M. Tons
Canada	21,774	5,547
United States	4,741	5,513
Soviet Russia	4,731	....
Argentina	4,201	....
Total	36,041	11,267

IMPORTS OF WHEAT FLOUR

Figures of flour imports into Finland previous to 1934 according to countries of origin are not available, but the total quantities imported from 1930 to 1933 were as follows: 1930, 99,298 metric tons; 1931, 77,879; 1932, 51,342; 1933, 47,661 tons.

As may be noted, imports decreased by 50 per cent in this four-year period. This decrease in imports is also noticeable during the next four years, when they were reduced from 42,428 tons in 1934 to 20,853 tons in 1937. There was an increase, however, in 1938 to 29,920 tons, imports from Great Britain reaching their 1934 level of 25,000 tons. Decreasing flour imports, due to high duties imposed since 1930, are an indication of the success of efforts to assist the local flour-milling industry.

The following table shows the quantity of flour imported into Finland, by countries of origin, during the period 1934-38:—

	1934	1935	1936	1937	1938
		Figures in Metric Tons			
Soviet Russia.. . . .	1,850	....	....	....	....
Poland and Danzig .. . .	....	172	266	....	....
Sweden.. . . .	....	4	10	....	10
Germany	6,679	3,092	131	....	....
Netherlands	509	134	9	57	3
Great Britain.. . . .	25,826	22,742	16,926	11,970	25,071
France	1,658	627	76	....	....
Hungary	1,249	1,013	5,521	6,145	1,066
Bulgaria	70	....	....	....	....
Canada.. . . .	2,263	2,404	2,237	1,578	1,841
United States	2,245	1,486	919	1,035	1,912
Australia .. . . .	....	55	....	....	....
Total	42,428	31,748	26,130	20,853	29,920

From this table it may be noted that the principal source of supply for wheat flour has been Great Britain, which supplied nearly 70 per cent of Finland's total requirements during the past five years. During the first eight months of 1939 Great Britain supplied about 90 per cent of Finland's total imports of flour. Imports from that country, however, have been steadily declining, except in 1938 when they showed a sudden increase. However, for the first eight months of 1939 they have again dropped below the 1937 level.

Imports of flour from Canada during these five years, amounting to approximately 7 per cent of the total imports, have been less than imports from Hungary (about 10 per cent), due to the low prices quoted from that country. These latter imports, however, were reduced to some 37 tons in the first eight months of 1939. Imports from the United States, which accounted for about 5 per cent of the total, have been maintained, while those from Germany, which accounted for about 6½ per cent, have ceased altogether since 1936.

Prior to the development of the Finnish flour-milling industry, Canada supplied considerably larger quantities than at present and, although the Dominion has kept her small share of the market, namely, 1,841 metric tons (about 6 per cent) out of total imports of 29,920 tons in 1938, and 596 tons (still about 6 per cent) out of total imports of 10,075 tons for the first eight months of 1939, these shipments are declining. This decline is due primarily to Finland's having developed capacity to supply her own requirements in flour.

PURCHASING AGREEMENT WITH GREAT BRITAIN

In regard to the maintenance of imports from Great Britain, the main source of supply; this is the result of an agreement between the two countries supplementing the Anglo-Finnish Trade Treaty of 1933. This was a flour purchasing agreement between Finnish importers and the National Association of British and Irish Millers, whereby 30,000 tons of flour per annum would be imported into Finland from the United Kingdom. From the table showing imports of flour into Finland it will be seen that, at least since 1934, the amount agreed to has not been purchased. One reason for this has been the heavy increase in the capacity of Finnish flour mills. Another factor which has tended to reduce imports from the United Kingdom is the introduction of Hungarian flour at prices against which United Kingdom millers were unable to compete.

In order to ensure and maintain a definite share of the Finnish market, a new agreement was signed and went into effect on May 10, 1937, whereby the average annual imports from the United Kingdom for the years 1935 and 1936, amounting to 19,850 tons, would be permitted entry into Finland at a reduced rate of duty, namely, 60 pennis over and above the general rate of duty on wheat.

This agreement enables those countries which exported flour to Finland during 1935 and 1936 under a commercial treaty to take advantage of the lower rate of duty. The quotas in force during the first year of this agreement were as follows: United Kingdom, 19,850 tons; Hungary, 3,267; Canada,

2,320; Germany, 1,612; United States, 1,202; France, 352; Poland and Danzig, 219; Netherlands, 71; Australia, 27; Sweden, 7; Belgium, 6; Brazil, 3.2; British Cameroons, 2.5; Denmark, 2.4; Austria, 1.3 tons.

The ordinary duties would apply to any imports over the quotas mentioned, as stated in the section of this report covering import duties on flour.

As may be noted from the figures showing imports of flour, the quotas established have not been fully taken up by the various countries; imports from a number of them, such as Germany, Poland, France, and Holland, have ceased altogether.

Canada's import quota of 2,320 metric tons has been maintained despite a period of uncertainty as to its maintenance, but, owing to market and price considerations and uncertainties, the quota has not been entirely used up, as import figures indicate.

GOVERNMENT POLICY IN RELATION TO WHEAT AND FLOUR

For the past two decades, during which an independent agricultural policy has been possible, Finland's policy has been to increase the output of both wheat and flour, as well as for other agricultural products. From a brief review of production and imports, and considering especially the former insufficiency of agricultural production, it may be said that the results achieved have been successful.

The Government adopted a number of measures to encourage agricultural production, such as artificial maintenance of prices; stabilization of indebtedness; lowering of interest rates; granting of export premiums on certain products such as butter, eggs, cheese and bacon; and finally the compulsory milling of Finnish grain with the imported product.

In order to bring about an increase in the area devoted to wheat, the price of this product was maintained at a high level, and the milling of domestic wheat was encouraged by a high tariff on wheat flour. Improved fertilization and unusually favourable weather conditions have also been important factors contributing to the increased production of grain, especially spring wheat, during the past few years.

IMPORT DUTIES ON WHEAT

From January 1, 1938, the duty on wheat was reduced from 1.25 Finnish mark per kilo (about 75 cents per bushel) to 1 mark (about 60 cents per bushel). At the same time there was a reduction in the rate of duty applicable to imports by millers of a volume of wheat equivalent to the amount of domestic wheat milled by them. This reduction was from 0.90 mark per kilo (about 54 cents per bushel) to 0.65 mark (about 39 cents per bushel).

Towards the end of 1938, however, the duties on wheat and rye, as well as on wheat and rye flour, were increased. The duty on wheat was to vary in accordance with Liverpool market quotations; if the quotations were low, the duty increased. The duty was 40 pennis (100 pennis to a mark) per kilo, plus 80 per cent of the amount by which the quotation fell short of 2.50 marks per kilo (about \$1.43 per bushel). Thus in October, 1938, when the average quotation was fixed at 1.27 mark per kilo, the duty was 0.40 mark plus 0.98 mark, equal to 1.38 mark per kilo or about 79 cents per bushel. Since October 31, 1939, however, the duty varies in accordance with c.i.f. prices Finnish ports of imported wheat or rye instead of in accordance with Liverpool quotations.

In regard to wheat which millers are allowed to import in quantities equivalent to the quantity of domestic wheat milled, the rate of duty has been fixed on the basis of a reduction in the duty in effect of 0.35 mark per kilo (20 cents per bushel). Thus, when the normal duty is 1.38 mark per kilo,

as above stated, the privileged duty would be 1.38 less 0.35 Finnish mark per kilo, or 1.03 mark (about 59 cents per bushel).

IMPORT DUTIES ON FLOUR

Apart from the duty privileges on wheat extended to the millers, the high duties on imported flour were intended to stimulate the domestic flour-milling industry. This purpose, as stated previously, may be said to have been achieved, as the capacity of the flour mills now exceeds total consumption. Possibly as a result of this situation a decrease in the duty on imported flour took effect at the beginning of 1938 as follows:—

	Former Rate		New Rate	
	Per 100 Kilos Marks	\$	Per 100 Kilos Marks	\$
Bolted and granulated flour	225	4.97	185	4.07
Unbolted whole-wheat flour	140	3.09	115	2.53

These duties were, however, superseded in October, 1938, until the end of the year, by the following higher duties:—

Unsifted wheat flour (Graham) 0.15 mark per kilo plus the duty on 1 kilo of unmilled wheat, or 1.38 mark plus 0.15 mark, equal to 1.53 mark per kilo (approximately \$3.21 per 100 kilos).

Sifted and granulated wheat flour 0.35 mark per kilo plus $1\frac{1}{2}$ times the duty on 1 kilo of unmilled wheat, or 2.07 marks plus 0.35 mark, equal to 2.42 marks per kilo (approximately \$5.08 per 100 kilos).

On May 10, 1937, an agreement came into effect between the Governments of Finland and the United Kingdom whereby a quantity of 19,850 tons of British flour, the average of the quantities imported from the United Kingdom during 1935 and 1936, would be imported at the general rate of duty on wheat plus 0.60 Finnish mark per kilo. As the duty on wheat was then 1.25 mark per kilo, the new duty amounted to 1.85 mark per kilo, or about \$4.05 per bag of 100 kilos, as compared to the former duty of \$4.97 per bag of 100 kilos. Since the beginning of 1938, when the duties on wheat and flour were reduced, the new duty levied on flour imported under this agreement amounted to 1.60 mark per kilo, or \$3.52 per bag of 100 kilos.

Owing to the changes effected in October, 1938, mentioned above, the duty on wheat flour entering under the quota agreement (which comprises the bulk of the wheat flour imported) would therefore be 0.60 mark plus the duty on wheat, about 1.38 mark per kilo, making a total of 1.98 mark per kilo (about \$4.17 per 100 kilos), which is a slight reduction from the rate applicable to non-quota flour (about \$5.08).

MILLING AND MIXING REGULATIONS FOR FLOUR

As a result of the record crops of wheat reaped during the past few years, and especially in 1938, the Finnish Government passed a law in September of that year making it compulsory for millers using imported wheat and rye to mix with it domestic wheat and rye in fixed proportions determined by the State Council at the beginning of each harvest season. Importers of wheat and rye flour are also required to mix, under Customs supervision, domestic wheat and rye flour in fixed proportions.

The proportions fixed at that time for both grain and flour were $66\frac{2}{3}$ per cent domestic to $33\frac{1}{3}$ per cent imported. On August 31, 1939, this proportion was altered to 85 per cent domestic and 15 per cent imported, and as from September 15, 1939, the milling and mixing percentages were again changed to 50 per cent domestic and 50 per cent imported.

Previous to the autumn of 1938 no such milling regulations applied to wheat, although imported rye and oats had been subject to milling regulations since 1931, due to the larger crops of these grains.

The above provisions do not apply to wheat flour imported by the State Granary, which effects its purchase for state organizations principally from the home trade.

CANADIAN FLOUR UNDER THE REGULATIONS AND THE QUOTA

Some confusion arose, which led to the suspension of imports, when the wheat and flour milling and mixing regulations went into effect, as it was found that no imports of Canadian flour were possible despite the quota in effect.

In regard to the quotas established under the agreement between Finland and the United Kingdom, the situation is as follows: In conformity with the principle of the most-favoured-nation treatment, all countries having a commercial treaty with Finland and from which Finland had imported wheat flour during the years 1935 and 1936 were allotted a quota, at the lower rate of duty, amounting to the average imports for the past two years. The average imports of Canadian flour into Finland during 1935 and 1936 amounted to 2,320 tons, which was the quota allotted for Canadian flour for a period of one year from May 10, 1937. This quota has since been maintained yearly, the last quota date being May 10, 1939.

In order to ensure continued imports from the United Kingdom, the most important beneficiary under the quota agreement, an arrangement was arrived at whereby imports of flour would be permitted without mixing, providing the importer effected domestic purchases in the proportions required by the mixing regulations. When it became clear that the Canadian quota was maintained and that the above arrangement would apply to Canadian imports as well, these could be resumed at the special rate of duty provided for quota flour.

POSSIBILITIES FOR CANADIAN WHEAT AND FLOUR

In order to better appreciate the changes that have taken place in the wheat situation in Finland, the following table, showing imports, production and approximate consumption of wheat since 1930, may be of interest:—

Year	Imports	Production	Consumption
	Figures in Metric Tons		
1930.. . . .	853	23,564	24,417
1931.. . . .	12,826	30,497	43,323
1932.. . . .	31,115	40,354	71,469
1933.. . . .	40,807	66,961	107,768
1934.. . . .	55,643	89,264	144,907
1935.. . . .	59,246	115,217	174,463
1936.. . . .	73,074	143,118	216,192
1937.. . . .	60,013	208,611	268,624
1938.. . . .	49,605	254,900	304,565

As shown above, since 1930 both imports and production of wheat increased up to 1936, imports expanding from approximately 1,000 to 73,000 tons, while production increased from 23,000 to 143,000 tons. After that year, however, imports began to decline, while production increased by 112,000 tons in two years.

The growing consumption of wheat may be attributed to a number of reasons: improvement in the economic situation of the country; increased population and increased consumption per head, also a change-over, especially in urban centres, from rye to wheat bread. An additional and important reason, however, is the decrease in wheat flour imports since the policy of encouraging the milling of flour was introduced. During the period 1930 to 1938 inclusive, imports of wheat flour decreased by some 70,000 tons, while wheat imports

increased by some 50,000 tons. Imports and increased production of wheat have therefore replaced imported flour.

Figures of imports of both wheat and flour for the first eight months of 1939 show a considerable reduction from those for the previous year, wheat imports amounting to less than one-third and flour imports to half, presumably due to the abundant wheat crops of the past two years. Owing to the outbreak of hostilities in Finland, it may be assumed that imports will be still further reduced. Future prospects for sales to Finland are uncertain under prevailing conditions, but it is probable that the former market for Canadian flour, except in minor quantities, has disappeared. Canada's participation in the wheat trade will depend upon whether the domestic wheat expansion policy can be maintained. There appears to be a tendency to direct purchases along the lines of the barter policy adopted in so many countries, and Canada's main hope lies in the quality of her wheat and its advantages for blending purposes in the event that the mixing regulations will be continued.

DISTRIBUTION OF IMPORTS BY COUNTRIES OF ORIGIN IN 1938

The following tables show the distribution by countries of origin of imports into Finland in 1938 of wheat, wheat flour and wheaten groats:—

Wheat

	Kilos	Finnish Marks
Soviet Russia	6,675,245	14,440,916
Sweden	90,617	547,106
Netherlands	299,269	897,716
Czecho-Slovakia	52,870	106,333
Turkey	150,000	279,500
Canada	28,891,428	67,342,524
United States	9,044,761	18,417,381
Argentina	4,401,264	10,528,320
Total	49,605,454	112,559,796

Wheat Flour

	Kilos	Finnish Marks
Sweden	10,300	31,551
Netherlands	2,500	6,460
Great Britain	25,071,457	68,025,664
Hungary	1,065,513	3,062,213
Canada	1,841,105	5,135,424
United States	1,911,785	5,627,426
Total	29,919,601	81,932,513

Wheaten Groats

	Kilos	Finnish Marks
Sweden	818,228	2,039,518
Netherlands	8,000	29,918
France	1,028,143	2,903,334
Total	1,860,660	4,988,209

ECONOMIC CONDITIONS IN MEXICO, 1939

R. T. YOUNG, CANADIAN TRADE COMMISSIONER

Mexico City, January 18, 1940.—Economic conditions in Mexico during 1939 were not as favourable as was generally expected at the beginning of the twelve-month period. The year closed with greatly decreased production, not only in agriculture but also in mining and in the secondary industries.

AGRICULTURE

Decreased agricultural production necessitated the importation of wheat, rice and corn, with a resulting unfavourable effect on commerce and industry and on prices in general. The 1939 cotton crop in the Mexicali district was approximately 37,000 bales. This was about 2,000 bales in excess of the 1938

crop, the quality being somewhat indifferent but better than anticipated. The 1939 rice yield in Sonora was estimated at between 36,000 and 40,000 metric tons, with the harvest well under way at the close of the year, in comparison with 25,867 tons in 1938. The wheat yield for the year was estimated at 40,000 metric tons, or 3,000 more than in 1938; on account of a shortage of corn, approximately 1,000,000 bushels were purchased in the United States.

INDUSTRY

There was a trend towards increased wages for industrial workers, with the inevitable result that costs of production also increased. This was reflected in higher cost of living and a decreased demand for articles that could be dispensed with. This situation affected principally the textile industry, causing stocks to accumulate for lack of demand, with the result that some mills found it necessary to curtail production and operate only three days per week. Employees, therefore, found that, despite increased wage rates, their working hours and purchasing power were reduced. For similar reasons the output of the mining industry also decreased, the principal metals affected being gold, silver, lead, and zinc. The seriousness of this situation is apparent in view of the fact that Mexico has occupied first place in world production of silver, and during the past few years has held second place in the production of lead.

The petroleum industry, which in recent years has been an important factor affecting economic conditions in Mexico because of the problems arising from the expropriation of the properties of the foreign oil companies which formerly operated this industry, has apparently escaped the general tendency towards decreased production. At the beginning of the year the output was greater than in 1938, the year of the expropriation, but it was evidently impossible to maintain production at this level, and early in the year it began to fall off. The increase in oil production was exceptional in the first few months of 1939, but about the middle of April manufacturers began to complain of a shortage of fuel oil, and numerous concerns were in danger of having to suspend operations. "Pemex" (Petróleos Mexicanos), the Mexican government-operated organization, attributed the shortage to lack of distribution facilities, but whatever the cause it contributed to the restriction of production in general. Petroleum production in 1939 was also below that of the year preceding expropriation, when it was the policy of the oil companies to increase their output.

In the latter months of the year the Government announced the imposition of a new income tax on profits exceeding 15 per cent on investment; this met with opposition from many sources, being considered an additional handicap to the efforts being made to stimulate agricultural and industrial activities.

COST OF LIVING

The increased cost of living, already referred to, was accentuated because of other adverse factors affecting the national economy, among which was the necessity of importing essential products. This occurred at a time when Mexican currency was already very much affected by, among other factors, the oil question. In an effort to counteract this upward trend, for several years there had been functioning a Regulating Committee for the Marketing of Wheat, later known as the Price Control Committee. This form of control has not been altogether acceptable to producers, a situation which in turn had an adverse effect upon the national economy. The committee stated that their function was not to reduce the price level of prime necessities, but to regulate the orderly marketing and distribution of food supplies with a view to maintaining prices at a just and equitable level.

This question occupied the attention of officials, merchants, and the consuming public throughout the year, but without any concrete results. On July 29

merchants generally declared their willingness to co-operate in every way with the authorities through the committee in an endeavour to halt the continuous increase in the cost of foodstuffs, and on August 9 the committee threatened to impose heavy fines, which they were empowered to do, on merchants who increased their prices above those fixed by that body.

CURRENCY

Increased salaries and wages contributed towards increased circulation of money, another characteristic feature of the year 1939. The increase in monetary circulation during the last two years has been very rapid, especially during 1939. Official information shows that at the beginning of 1938 the value of the Bank of Mexico notes in circulation was 198,000,000 pesos. Immediately following the expropriation of the oil companies in March, 1938, a tendency towards an increase in this amount became evident, and by the middle of November, 1939, the total value had reached 338,000,000 pesos, an increase of 75 per cent, which was out of proportion to the economic expansion. This sudden increase in circulation tended to force prices upward despite the efforts of the Price Control Committee to hold them at a fixed level. This added to the difficulties experienced by many industries, principally the textile industry, whose stocks accumulated as a result of reduced sales.

FOREIGN EXCHANGE AND SILVER PURCHASES

The Mexican peso was greatly affected by the internal situation. Weakened as a result of the oil companies expropriations in 1938, at the end of that year it was valued at around 4.99 to the United States dollar. This rate was fixed through the support of the Bank of Mexico, despite the pressure of a sustained demand for foreign currency. Towards the middle of 1939, it rapidly depreciated and reached a high of 6.25 to the dollar, recovering for a few weeks to about 5 to 1, but again in November slipping back to 6 to 1 and remaining at that rate up to the close of the year.

The necessity of importing essential products also had a strong influence on the peso, as the surplus currency held outside the country had to be used to pay for these imports, while the falling-off in domestic production weakened Mexico's position as an exporter. As a remedy for this situation, arrangements were made to exchange merchandise with certain foreign countries for Mexican petroleum. A three-way barter arrangement was made with Argentina whereby machinery obtained from Germany in return for petroleum was exchanged for wheat from Argentina. Although not favourable to Mexican economy, this arrangement facilitated the obtaining of products which would otherwise have been almost impossible to acquire.

The outbreak of the European war at the beginning of September had an unexpectedly adverse effect on Mexico's external trade. In a similar situation 25 years ago, the effect was very favourable, although this country at that time was in the midst of a revolution. Then the price of silver rose to a maximum level with beneficial results to Mexico, and, despite the revolution, the country continued to produce silver in greater quantity than any other country, and the demand for the principal minerals resulted in much better prices and relatively better conditions than prevail at present.

The United States had an arrangement with Mexico by which she purchased an average of 2,000,000 ounces of silver per month, which provided a sure outlet for this important product, but this arrangement, usually renewed at the beginning of every year, was cancelled in March, 1938, following the expropriation of the oil companies, and since then sales have only been made on the open market in New York.

TRADE AND BARTER

Statistics published by the United States Department of Commerce towards the end of January, 1939, showed that there had been a great decrease in the Mexican imports of United States products during 1938, but that there had been a considerable increase in the imports from Italy and Germany due to the exchange of Mexican petroleum for agricultural machinery, trucks, and electric plants. As these transactions did not supply Mexico with sufficient foreign exchange outside the country to sustain the peso, it showed signs of weakness early in 1939. However, these barter transactions continued on an important scale, and on January 28, 1939, the Government of Mexico announced a further arrangement for the exchange of a considerable quantity of petroleum for beans from Japan, at the same time selling appreciable quantities to Nicaragua and donating 4,500 tons to Chile after the disastrous earthquakes in that country.

About this time arrangements were concluded with Italy to build three tankers for "Petróleos Mexicanos," the semi-government Mexican distribution organization, in exchange for petroleum, as the distributors were handicapped in making foreign deliveries since the expropriation because of the lack of tankers. Owing to the outbreak of war in Europe this and other barter arrangements with Germany were not completed.

Information recently published by the Department of Commerce of the United States reveals that, despite the barter transactions which Mexico had concluded during the year and by which she hoped to improve her internal economy, there was a heavy increase in imports from the United States, due almost entirely to the failure of her own industries, agricultural and manufacturing, to supply the country's requirements.

RICE PRODUCTION IN MEXICO

R. T. YOUNG, CANADIAN TRADE COMMISSIONER

Mexico City, February 21, 1940.—According to information supplied by the Mexican Department of Agriculture, several varieties of rice are cultivated in Mexico the origin of which cannot be directly traced, although it is supposed that they were introduced in the early colonial days.

In 1938 a total of 39,403 hectares (one hectare equals 2.47 acres) were under cultivation as against 39,665 hectares in 1937 and 31,723 hectares in 1934. Due to climatic conditions and because these areas are highly suitable to the cultivation of rice, on account of soil and moisture, the States of Sonora, Michoacan, Morelos and Veracruz are the principal producing areas, accounting for approximately 81.6 per cent of the total production of the Republic.

Mexico ranks ninth among the rice-producing countries of the world. On the basis of average crops, Spain produces three times as much as Mexico; Italy, Japan, and Australia more or less double as much; while the United States, British Guiana, and Formosa exceed the Mexican average. According to figures of the Mexican Department of Agriculture, the yield of rice in 1938 was 2,033 kilos (one kilo equals 2.2 pounds) per hectare as against 1,880 kilos in 1937. The crop of 1935 was the largest in fourteen years; the poorest was in 1927, amounting to 1,654 kilos per hectare from a total cultivated area of 50,112 hectares.

Rice production in Mexico does not show any great variation from year to year, as is the case with wheat, coffee, cotton, etc. Production in 1938 totalled 80,119 metric tons as compared with 74,142 tons in 1937 and 86,227 tons in 1936. The 1936 production was the largest in fourteen years, and that of 1933 was the poorest.

VARIETIES PRODUCED

The principal varieties of rice cultivated in Mexico produce a grain of high quality, among which are Lady Wright, Jojutla, Edith, San Vicente, and Tetecala.

EXPORTS

Mexico produces sufficient rice for home consumption and has an export surplus of about 10 per cent of total production. The export trade in rice is on the basis of United States and Canadian prices.

Total exports of rice in 1938 amounted to 6,445 tons as against 19,969 tons in 1937, 13,451 tons in 1936, 18,511 tons in 1935, and 8,555 tons in 1934.

Investigations by the Mexican Department of Agriculture, based on the foregoing information and reports of operations of the rice mills throughout the Republic, which are regularly submitted to the Department, indicate that the unusual increase in the market price of rice during the past few months has not been due to any shortage of the cereal but to other causes.

ROUGH RICE IN STOCK

It is estimated that approximately 13,648 metric tons of rough rice is held by cultivators or, more probably, in the general warehouses of agricultural banks. Rice, being a hardy seed, is a good investment for credit institutions, especially in cold districts, as there is little danger of it being damaged by grubs, as is the case with corn, beans, wheat, etc. This estimate of 13,648 tons should possibly be further reduced when it is considered that many small farmers, especially in the States of Veracruz and Michoacan, hull their rice in a rudimentary fashion, it being beyond the control of the rice mills, which are under the Department of Agriculture and obliged to submit annual reports. The volume of this rice may be estimated at about 10 per cent of that milled during the period 1938-39, that is 61,145 tons; therefore if 6,114 tons be subtracted from the 13,648 tons, there still remain 7,534 tons unaccounted for.

Of the quantity of rough rice hulled during the period 1933-34 to 1938-39, amounting to 425,450 tons, the yield was 70 per cent pure rice, ready for consumption, or 297,815 tons, the remaining 30 per cent, or 127,635 tons, being hulls.

Of these 297,815 tons, 70,258 tons were exported during the six-year period 1933-34 to 1938-39, principally to the following countries: Germany, 30,912 tons; Netherlands, 12,199; United States, 10,616; Great Britain, 7,193; France, 6,671; Italy, 2,057; Belgium, 515; Ireland, 36; El Salvador, 25; Portugal, 8; Sweden, 5; Peru, 5; Spain, 5; Cuba, 4; Guatemala, 4; British Honduras, 2 tons.

In addition to the foregoing, there were exports of rough rice totalling 1,708 tons to the following countries: United States, 1,499 tons; Canada, 164; Great Britain, 25; Peru, 20 tons.

Deducting the exports from the total of pure rice milled, there was left for consumption in the home market 227,557 tons, or a yearly average of 37,926 tons.

The crop of 1937-38 amounted to 80,119 tons. The quantity milled during 1938-39 was 61,145 tons, which, added to the rice selected for seed to be planted in 1939-40, viz., 1,100 tons, make a total of only 62,245 tons of rough rice. Adding this quantity to the 9,210 tons still held by the mills since April 30, 1939, gives a total of 71,455 tons, leaving 8,664 tons of the 1937-38 crop still unaccounted for. This indicates that certain quantities have been hypothecated to the credit institutions.

PRICES

The wholesale prices per kilo for the agricultural year 1938-39 for extra and first qualities were 32 cents and 30 cents respectively, as against 28 and 25 cents in 1937-38. While the crop in 1932-33 was 66,950 tons (the smallest during the 1933-38 period) and the milling in 1934-35 was 52,342 tons (the smallest during the period), the wholesale prices per kilo for extra quality rice in 1933-34 was 25 cents and for first quality it was 17 cents; in 1934-35 the prices were: extra quality, 27 cents per kilo; and first quality, 19 cents per kilo.

TRADE OF CUBA IN 1938

C. S. BISSETT, CANADIAN TRADE COMMISSIONER

(Values are shown in Cuban pesos, which are equal at par to the Canadian dollar)

Havana, January 15, 1940.—As compared with the previous year the trade of Cuba in 1938 showed marked decreases both in imports and exports. This was due generally to the decline in business activity which occurred in most countries of the world, and specifically to the sharp falling-off in Cuban sugar sales. The importance of sugar to Cuba cannot be over-estimated. Raw and refined sugar and various sugar products, such as syrups and molasses, together account for some 80 per cent of Cuba's total annual exports. Any restriction in sales volume and price, such as occurred in 1938, has accordingly a markedly adverse effect on Cuban economy and is immediately reflected in reduced imports. Important as well, but in much smaller degree, was the poor year experienced by Cuban tobacco. Diminished sales and lower prices for both sugar and tobacco combined to reduce purchasing power considerably below the level of the preceding year. These trends have persisted in 1939 which will show returns lower than those for 1938.

The following table shows the 1938 and 1937 export and import totals:—

	1938	1937	Decrease in 1938
Exports..	\$142,677,752	\$186,071,036	\$43,393,284
Imports	106,007,325	129,572,317	23,564,792
Balance of trade.. . . .	36,670,427	56,498,719	19,828,292

The sharply reduced value of the favourable balance of trade in 1938 was quite insufficient to pay for Cuba's invisible imports. Cuba has practically no income from abroad in the form of foreign investments, freight and insurance services and similar items to add to income from exports. Conversely there is a heavy drain on income to pay for such items, which are supplied almost wholly by foreign capital. It is estimated that, to maintain a sound financial position, Cuba requires a minimum annual favourable balance of trade of \$65,000,000. This sum has never been realized since 1928, although it was approached in 1937. The consequence has been that Cuba has been below par economically for many years, and is likely to recover only when appreciably higher prices for its principal crop, sugar, can be obtained.

EXPORTS BY COMMODITY GROUPS

The total values of exports in 1938 and 1937 by main commodity groups were as follows:—

	1938	1937
Sugar and sugar products.. . . .	\$112,399,340	\$148,191,437
Tobacco and tobacco products.. . . .	13,539,525	14,947,444
Stones, earths and mineral products.. . . .	5,398,567	7,210,746
Food products.. . . .	5,074,169	7,659,534
Animals and animal products	2,765,396	3,691,930
Forest products	1,434,217	2,094,595
Metal and metal products	1,160,912	1,163,173
Chemical and perfumery products.. . . .	64,944	69,994
Miscellaneous	840,682	1,042,183

The great importance of sugar and cane products in Cuban export trade can readily be judged from the above figures. Prosperity or adversity in the republic depend in large measure upon the returns from this crop. The entire group in 1938 accounted for almost 79 per cent of the total annual exports of all commodities. Raw sugar was valued at \$82,397,335 and refined at \$17,374,087. Syrups and molasses accounted for \$11,551,990 and various distilled products for \$1,075,928.

Tobacco is Cuba's second crop and it likewise had a poor year in 1938. It accounted for 9 per cent of the total exports. Unmanufactured leaf products were valued at \$10,477,887, cigars at \$2,982,994, cigarettes at \$67,848 and cut tobacco at \$10,796.

Of the stones, earths and mineral products group the mineral products were much the most important. Concentrates of copper totalled \$2,342,119, manganese concentrates \$2,254,909 and all other minerals combined \$658,322.

The exports of food products in 1938 decreased by one-third in value from the 1937 level. Fresh fruits at \$2,468,559, fresh vegetables, cereals and grains at \$1,807,005, confectionery and jams at \$649,077, and meat, fish and milk products at \$149,528, were the constituent items of this group.

The animals and animal products group decreased in value by one-fourth. Raw hides and skins totalling \$1,569,839 and bee products at \$795,441 were the major items. The forest products group also fell in value by almost one-third. Raw fibres amounted to \$672,951, composed mainly of sisal and henequen fibres.

In the metals and metal products group, manufactured metal products totalled \$676,858. This sub-group was composed mainly of second-hand automobiles and machinery. Exports in the old metal sub-group were valued at \$477,492, including scrap and waste iron, steel, copper, bronze, tin and tin-plate and zinc. By decree the export of scrap metals is now prohibited.

In the miscellaneous group sponges valued at \$596,894 was much the most important single item.

EXPORTS BY COUNTRIES

As an indication of the destination of Cuba's exports in the year under review the following table is appended:—

	1938	1937	Difference
United States	\$108,362,605	\$150,148,819	—\$41,786,214
United Kingdom	19,602,225	20,010,936	— 408,711
Rest of Europe	4,303,141	5,986,949	— 1,683,808
Rest of America	2,994,193	2,760,382	+ 233,811
Germany	2,754,870	3,135,890	— 381,020
France	2,052,732	3,204,295	— 251,563
Spain	1,292,415	609,986	+ 682,429
All others	1,315,752	1,113,779	+ 201,972

The dependence of Cuba upon the United States market is very marked. By virtue of the Cuban-United States trade treaty each country accords the other substantial tariff preferences. The outstanding concession obtained by Cuba is an annual quota of some 1,660,000 tons of 96° sugar at a duty rate of \$0.90 per 100 pounds in lieu of the regular rate of \$1.87½. Cuban sugar above that quota limit is dutiable at \$1.50 per 100 pounds. As sugar and its products combined account for an average of 80 per cent of Cuba's total annual exports, the predominant position held by the United States as Cuba's principal customer is a natural result of this trade agreement. Other factors, such as nearness to the market, excellent shipping services, high United States purchasing power and important United States investments in Cuba, combine to consolidate the position of the United States as Cuba's major market. The proportion of Cuban exports purchased by the United States has dropped to as low as 73 per cent and risen to as high as 86 per cent, based on dollar values. In 1938 it amounted to 75.94 per cent as compared to 80.69 per cent in 1937. The large dollar difference shown in the above table, amounting to 27.83 per cent of the 1937 purchases, was caused mainly by lower prices of Cuban export commodities, principally sugar, rather than by decreased quantities purchased.

The United Kingdom is Cuba's second best customer. The main items in this trade are sugar and cigars. Apart from imports of sugar for consumption at home, the United Kingdom purchases appreciable quantities of raw sugar for refining and subsequent shipment to other countries in Europe. In

1938 the United Kingdom purchased 13·74 per cent of the total exports as compared with 10·73 per cent in 1937.

Only three other countries, Germany, France and Spain, are of any particular importance as customers. In 1938 Germany's share amounted to 1·93 per cent as compared to 1·69 in the previous year; France's share was 1·44 in 1938 and 1·24 per cent in 1937; and Spain's, 0·91 and 0·33 per cent, respectively.

IMPORTS BY COMMODITY GROUPS

The total values of imports in 1938 and 1937 by commodity groups were as follows:—

	1938	1937
Stones, earths, minerals, glass, ceramics.. . . .	\$ 9,908,810	\$ 12,480,306
Metals and metal manufactures.. . . .	9,391,124	12,171,956
Chemical and pharmaceutical products	11,023,216	13,720,151
Cotton and cotton manufactures.. . . .	10,043,025	13,683,822
Vegetable fibres, rayon and manufactures.. . . .	7,440,645	9,331,750
Wool, hair, bristles and manufactures.. . . .	1,559,522	1,793,360
Silk and silk manufactures	482,318	653,577
Paper and manufactures.. . . .	4,735,290	5,460,218
Wood and wood manufactures	2,653,938	3,143,561
Animals and animal products	2,113,011	2,896,419
Machinery, instruments and vehicles.. . . .	12,507,620	15,500,003
Foods and beverages	29,703,565	33,443,528
Tobacco	128,194	142,651
Miscellaneous.. . . .	3,917,904	4,714,727
Duty free goods.. . . .	399,143	436,088
Totals.. . . .	\$106,007,325	\$129,572,117

As compared to the previous year total imports in 1938 decreased by \$23,564,792 or 18·19 per cent. This decrease was caused by the general recession in world trade in the year under review, as well as by the sharp fall in price of Cuba's export staples which restricted acutely Cuban purchasing power. This trend continued well into 1939 and will be reflected in further import decreases when the 1939 figures are published.

Imports of each commodity group decreased in value, demonstrating that the trend was general and was caused by diminished purchasing power rather than by the replacement of imported goods by locally produced products. Luxuries and capital goods suffered rather more heavily than did the groups of essentials, such as foods and beverages.

The stones, earths, minerals, glass and ceramics group, fifth in importance, was composed of several sub-groups. The value of imports of these, with 1937 figures within parentheses, were: stones and earths, \$345,630 (\$408,903); coal, tar, asphalt and its derivatives, \$6,662,102 (\$8,409,892); minerals, \$37 (\$27); glass and crystal, \$2,021,107 (\$2,571,009); articles of clay, cement, porcelain and similar, \$879,934 (\$1,090,475). The metals and metal manufactures group, sixth in importance, was made up as follows: gold, silver, platinum and their alloys, \$204,905 (\$185,750); cast iron, \$173,594 (\$234,168); forged iron and steel, \$7,430,276 (\$9,784,717); copper and its alloys, \$1,062,001 (\$1,341,984); other common metals and their alloys, \$518,821 (\$624,380); scrap and waste metals, \$1,527 (\$957). Of the pharmaceuticals and chemicals class, simple drugs accounted for \$1,546,221 (\$2,110,967); dry colours, paints and varnishes, \$931,596 (\$1,273,550); chemical and pharmaceutical products, \$6,054,301 (\$6,717,725); raw oils and fats, \$1,310,017 (\$2,163,264); soaps and perfumery, \$610,629 (\$716,714); fertilizers, starches, explosives, \$570,452 (\$737,931).

In the cotton and cotton manufactures group, raw cotton, cotton waste and cotton yarns, totalled \$2,275,460 (\$2,624,826), and cotton textiles and fabrics and made-up cotton goods, \$7,767,565 (\$11,058,996). The vegetable fibres group includes, besides rayon, all fibres such as jute, hemp, manila, pita, sisal and flax or linen. Raw fibres and yarns amounted to \$817,751 (\$3,682,389),

and textiles or fabrics and made-up goods to \$6,622,894 (\$5,649,361). In the wool, hair and bristles class, bristles, hair, horsehair and made-up articles were valued at \$125,924 (\$140,048), and textiles and fabrics of wool and woollen manufactures at \$1,402,465 (\$1,591,238). The silk and silk manufactures group was composed of silk threads and yarns, \$206,523 (\$239,794); and fabrics of silk and made-up articles, \$275,795 (\$413,783).

In the paper group, eighth in importance, wood pulp and paper waste totalled \$628,666 (\$374,804); paper in reels, rolls, etc., such as newsprint and printing, wrapping, sanitary, etc., \$2,178,632 (\$2,575,754); all types of paper cut to size and made-up articles, \$818,039 (\$1,044,818); printed, stamped, lithographed or engraved papers, \$437,649 (\$578,116); wallpaper, \$1,027 (\$1,776); and cardboard, box-board, mill-board, etc., and their manufactures, \$671,277 (\$884,950).

The wood and wood products group was composed of rough and semi-manufactured lumber and timber, \$2,195,676 (\$2,553,511); furniture and wood manufactures, \$163,039 (\$191,792); other vegetable matter, \$295,223 (\$418,258).

Of the animals class, live animals were valued at \$70,604 (\$57,102); hides, skins and leathers, \$1,486,351 (\$2,143,121); fur and leather manufactures, \$521,100 (\$638,576); other animal products, \$34,956 (\$57,620).

The machinery, instruments and apparatus and vehicles group was the second largest in point of value. Musical instruments accounted for \$951,821 (\$1,324,293); watches and clocks, \$149,337 (\$196,561); scientific apparatus and scales, \$138,810 (\$177,886); machinery and apparatus, \$7,117,077 (\$8,284,590); railway and motor cars, carts, carriages and other vehicles of all kinds, \$4,104,940 (\$5,442,371); sea and air vessels of all kinds, \$45,635 (\$74,302).

Much the most important import group is that of food products and beverages. With a decrease in value of slightly more than 11 per cent only, it suffered less decline than any other of the more important import classes. The principal divisions with their respective values were: meats and fats, \$5,421,862 (\$6,128,926); fresh, dry and salted fish, \$1,087,209 (\$1,063,927); eggs, \$3,857 (\$6,068); flour and cereals, \$14,435,007 (\$16,306,591); fruits and vegetables \$4,051,353 (\$4,588,020); seeds and animal feeds, \$230,331 (\$268,716); preserved foods, \$1,185,059 (\$1,341,406); refined oils, \$1,983,760 (\$2,402,671); wines and liquors \$806,249 (\$791,852); other food products, \$498,878 (\$545,351).

IMPORTS BY COUNTRIES

The following table shows the origin of Cuba's imports in 1938 and 1937 and the value of the shares of each of the main supplying countries:—

	1938	1937
Total	\$106,007,325	\$129,572,317
United States	75,152,388	88,846,617
Rest of America	4,329,782	6,870,653
Germany	4,680,694	5,845,136
United Kingdom	4,490,069	6,321,328
France	2,777,771	2,897,195
Spain	1,585,978	1,854,157
Rest of Europe	6,063,391	6,641,844
All others	6,929,252	10,295,187

The factors, previously described, which make the United States Cuba's best customer, are also mainly responsible for making that country Cuba's most important supplier. The outstanding one is the Cuban-United States trade treaty. With the exception of a few items on Cuba's free list, the United States has a tariff preference in every import item ranging from a minimum of 20 per cent of the duty to a maximum of above 80 per cent. The result is a practical trade monopoly in Cuba for United States manufacturers for the great majority of those articles produced there. Generally speaking the trade of all other countries is confined to articles on the Cuban free list or those for which they have a "particular advantage" in manufacture or production.

For the year under review the share of Cuba's total imports enjoyed by the United States was 70·89 per cent as compared with 68·57 per cent for 1937. Although the decrease as between the two years was 15·41 per cent in dollar value this figure was appreciably lower than that applying to any one of the other principal supplying countries.

The contribution of Germany to the total imports was 4·42 per cent of the whole against 4·50 per cent in the previous year. Germany displaced Great Britain in second position, largely through subsidized exports and barter trade. The share of the United Kingdom was 4·24 per cent of the whole as compared to 4·88 per cent in 1937. It is noteworthy that in the interchange of goods between the United Kingdom and Cuba the balance is very much in favour of Cuba. Although the value of France's purchases decreased slightly the percentage share of the total imports rose from 2·24 to 2·62 in the year under review.

TRADE WITH CANADA

During the first three months of 1938 all Canadian goods with a few exceptions were assessed under the Cuban maximum tariff, the rates of which are double those of the minimum tariff which is applicable to almost all of Canada's principal competitors in this market. In addition, as mentioned previously, the United States is accorded substantial preferential discounts from the minimum rates or from all treaty rates, whichever may be lower. As a result Canada's sales to Cuba during that period, and for some months thereafter until selling connections could be established, were confined almost wholly to the exceptions, which are goods either on the free list, such as news-print and seed potatoes, or those temporarily on the straight minimum tariff list, such as malt barley and dried salt codfish. These items in recent years have been the backbone of Canada's exports to Cuba.

Although the minimum tariff, for the first time since April, 1936, was applicable during the remaining nine months of the year, this better tariff treatment was practically nullified by depressed economic conditions in Cuba which continued to become worse as the year wore on. Whereas in normal times new sources of supply would have been considered by local importers, giving Canadian exporters an opportunity to establish themselves in the market, the tendency was to restrict purchases from well-established and competitive sources of supply to an increasing extent as the serious nature of the trade recession became apparent. Consequently the better tariff treatment accorded to Canada came at a most inopportune time and it resulted in little or no advantage to Canadian exporters.

Canadian sales to Cuba dropped from \$1,011,147 in 1937 to \$815,490 during the year under review, according to the official figures issued by the Cuban Department of Statistics. They vary greatly from those issued by the Dominion Bureau of Statistics at Ottawa. The marked difference is due chiefly to the difficulty encountered by the Cuban authorities in tracing the movement of imports from and exports to Canada when these are handled through United States firms and ports and are not consigned direct from one country to another.

The following table shows total imports from and exports to Canada for the 1932-38 period, according to Cuban official figures:—

Year	Imports	Exports
1932..	\$1,076,001	\$600,178
1933..	891,374	531,032
1934..	1,196,005	520,919
1935..	1,171,570	255,222
1936..	979,754	223,089
1937..	1,011,147	662,178
1938..	815,490	334,967

As the table shows, Canada's favourable balance of trade in 1938 was \$480,523, equal to 143 per cent of the purchases of Cuban products.

EXPORTS TO CANADA

The following table shows the quantities and values of the chief articles exported to Canada in 1938 with comparative figures for 1937:—

Principal Exports to Canada

	1938		1937	
	Quantity	Value	Quantity	Value
Leaf tobacco, unstemmed .. .	167,874 kilos	\$165,376	95,527 kilos	\$106,320
Leaf tobacco, stemmed .. .	43,814 kilos	50,324	61,554 kilos	65,520
Cigars .. .	324,000	25,985	388,000	30,994
Raw sugar .. .	2,690,188 lbs.	25,557	27,805,304 lbs.	336,637
Fresh pineapples .. .	1,094,889 kilos	19,216	458,119 kilos	6,681
Inverted syrups .. .	120,759 gals.	18,112	185,667 gals.	21,435
Refined sugar .. .	1,000,000 lbs.	15,840	100,000 lbs.	1,700
Rum, bottled .. .	3,474 litres	6,167	6,112 litres	10,690
Sponges .. .	1,529 kilos	2,349	1,076 kilos	819
Mahogany, sawn .. .	20,564 feet	1,964	18,613 feet	1,861
Tomatoes, fresh .. .	51,877 kilos	1,786	53,795 kilos	2,833
Salted hides .. .	.....	.....	185,104 kilos	68,829
Henequen fibre .. .	.....	.....	53,931 kilos	5,915
All others .. .	.....	2,291	.....	1,944

Canadian purchases in 1938 of Cuban products were almost exactly half those of the previous year. It is for that reason that Canadian products entering Cuba, with the few exceptions noted heretofore, are at present assessed a surcharge of 25 per cent of the minimum tariff rates. Much smaller purchases of raw sugar and a complete absence of any trade in salted hides was responsible for the sharp decrease in exports. Reduced values were also registered for cigars, stemmed leaf tobacco, inverted syrups, bottled rum and fresh tomatoes. Increases occurred in unstemmed leaf tobacco, fresh pineapples, refined sugar, sponges and sawn mahogany; but the combined increases were quite insufficient to balance the large decrease in the other items.

Included in "all other" products were lithographed articles, \$378; sponge cuttings or trimmings, \$373; canned lobster, \$364; furniture, \$101; tobacco cuttings or trimmings, \$65; cut tobacco, \$10; and re-exports, \$1,000.

IMPORTS FROM CANADA

The following table shows the chief items imported from Canada during 1938 with comparative figures for 1937:—

Principal Imports from Canada

Commodity	1938		1937	
	Kilos	\$	Kilos	\$
Seed potatoes .. .	11,198,498	301,375	10,071,664	400,523
Codfish and stockfish .. .	1,698,336	208,561	1,946,136	248,044
Newsprint .. .	2,351,054	108,148	1,154,301	48,841
Malt barley .. .	900,388	86,436	1,915,279	196,447
Calcium carbide .. .	597,867	24,578	190,885	10,212
Electrical apparatus .. .	15,015	17,187	12,354	12,449
Sewing machine parts .. .	303	8,975	504	9,996
Portable machinery .. .	4,471	8,077	6,646	13,970
Lumber .. .	289,964	5,720	263,039	11,035
Fertilizers .. .	183,211	5,370	458,439	15,228
Wheat flour .. .	111,336	4,525	.....	.....
Paper, rotogravure .. .	91,213	4,464	.....	.....
Crude tallow .. .	54,600	4,085	22,130	1,905
Other animal oils .. .	58,407	3,699	.....	.....
Copper powder .. .	4,016	2,716	23	32
Patent leather .. .	666	1,469	.....	.....
Rye whisky .. .	1,698*	1,448	.....	.....
Printed stationery .. .	1,345	1,442	1,532	1,699
Aluminium powder .. .	1,840	1,399	4,092	3,187
Red palm oil .. .	27,202	1,094	.....	.....
All others .. .	.....	14,722	.....	37,579
Total .. .	.....	815,490	.....	1,011,147

* Litres.

The decrease in the value of Canadian shipments in 1938 amounted to \$195,657 as compared with the previous year. This equals slightly more than 19 per cent of the total 1937 sales, which is almost exactly in line with the general import decrease from all sources combined. However, a large part of the decrease in Canadian sales was due entirely to lower price as opposed to reduced volume. The outstanding example in this respect was seed potatoes, shipments of which rose in tonnage by almost 12 per cent while the value declined almost 25 per cent. Similarly, the volume of codfish imported from Canada decreased by about 12 per cent, but the value fell by 16 per cent. The sharpest decrease occurred in malt barley, amounting to \$110,011 or 56 per cent. Lower prices accounted for a part of the drop in Canada's share of the malt imports, the total of which fell by 35 per cent as compared with the previous year. Increasing competition from various Baltic countries was also partly responsible.

Sales of Canadian newsprint, as shown in the above table, rose both in volume and value. However, these figures are not a reliable indication of the value of Canadian newsprint exports to Cuba, since a large part of these exports are routed through the United States and are credited to that country in the Cuban statistics. Imports of calcium carbide from Canada increased appreciably in volume and value as did those of electrical apparatus. The latter are almost wholly electric meters.

These six items constitute the bulk of Cuba's imports from Canada at all times. The first four are not affected by the periodical changes in tariff rates which affect Canadian goods and which prevent the establishment of a solid base of trading with this country. Newsprint and seed potatoes are on the free list and codfish and malt barley, which are considered as articles of prime necessity, are accorded the straight minimum tariff rates whatever may be their origin.

From present indications Cuban purchases of Canadian products during 1939 showed an appreciable increase over those for the year just reviewed.

TRADE AGREEMENT BETWEEN CANADA AND DOMINICAN REPUBLIC CONCLUDED

A trade agreement between Canada and the Dominican Republic was signed at Ciudad Trujillo on March 8, 1940.

Under the terms of this agreement, Canada and the Dominican Republic exchange most-favoured-nation treatment in tariff matters. The agreement also provides as from date of signature for exemption of Canadian dry salted hake, pollock and cusk, smoked herring, and other smoked fish from the Dominican internal revenue tax of \$5 per 100 kilograms, and of fish in brine from the internal revenue tax of \$4 per 100 kilograms. The ordinary customs duties of \$2.25 and \$2, respectively, continue to apply to imports of the foregoing fish. The agreement also exempts Canadian seed potatoes from the internal revenue tax of \$5 and ordinary customs duty of \$1 per 100 kilograms, and guarantees continued entry free of internal revenue tax of Canadian wheat in the grain.

TARIFF CHANGES AND TRADE REGULATIONS

United Kingdom

ADDITIONAL COMMODITIES SUBJECTED TO IMPORT LICENSING

Mr. Frederic Hudd, Chief Canadian Trade Commissioner in the United Kingdom, in a cablegram of March 13, advises that a Board of Trade Order announces prohibition of importation into the United Kingdom except under licence of a further list of commodities, including the following of special interest to Canada: Cereal breakfast foods and similar cereal preparations; macaroni, ravioli, spaghetti, and vermicelli, canned; iron and steel netting and other metal meshes and perforated metal of a description commonly used in filtering, screening, separating, sifting, sorting, and similar operations; photographic cameras and parts thereof (other than lenses) and accessories therefor; latches, hasps, bolts, hinges, locks, and keys, and parts thereof and blanks therefor; pot scourers made wholly or partly of woven or knitted mesh or metal wool, shavings or strip, and woven or knitted mesh of a kind commonly used in manufacture of pot scourers; unexposed sensitized photographic paper, cloth, plates, and film (excluding cinematograph film of standard width of $1\frac{3}{8}$ inch, X-ray plates and X-ray film), spools therefor and parts of such spools; wireless apparatus (including valves) and parts thereof; wires and cables, insulated; and wooden dowels and dowelling.

The order, the cablegram states, comes into force March 25, but goods dispatched before that date will not require licences.

Australia-Brazil

TRADE AGREEMENT CONCLUDED

Mr. L. S. Glass, Canadian Trade Commissioner in Rio de Janeiro, writes that the terms of a commercial agreement between Australia and Brazil, concluded by an Exchange of Notes of July 19, 1939, were published in the Brazilian *Diario Oficial* of January 15, 1940. Under this agreement each country extends most-favoured-nation treatment in tariff matters to articles the produce or manufacture of the other. Preferences granted exclusively by Australia to other members of the British Empire and by Brazil to adjacent countries are excepted from the scope of the agreement.

Australia-Newfoundland

TRADE AGREEMENT

A trade agreement embodying an exchange of notes, between the governments of Australia and Newfoundland, effective in both countries on and from December 14, 1939, provides that Australia will admit at British preferential tariff rates, news-printing paper, not glazed, mill-glazed or coated, in rolls not less than 10 inches in width, or in sheets not less than 20 inches by 25 inches or its equivalent, the produce or manufacture of Newfoundland. Such paper is free of duty under the British preferential tariff (which is applicable to Canadian paper of these descriptions). The general tariff rate is £4 per ton of 2,240 pounds.

Newfoundland accords to Australia exclusive rates of duty on butter of 7 cents per pound, and on fruits canned, bottled or otherwise preserved, not separately specified in the tariff, including ginger in syrup, of 30 per cent

ad valorem. Such Australian products were formerly dutiable under the general tariff at 8 cents per pound and 40 per cent ad valorem, respectively.

The agreement is to continue in force until terminated by either party on six months' notice.

Malta

IMPORT PROHIBITIONS

With reference to the notice in *Commercial Intelligence Journal* No. 1874 (December 30, 1939), page 1252, concerning import prohibitions adopted in Malta, Mr. A. B. Muddiman, Canadian Trade Commissioner at Milan, reports that the list of restricted imports includes wheat flour, motor vehicles, wireless apparatus, musical instruments, electric dry shavers, vacuum cleaners, furniture, domestic woodware, firearms, toilet preparations, toys, fancy goods, clocks and pictures.

Cyprus

IMPORT CONTROL OF CANNED AND BOTTLED PROVISIONS

With reference to the article in *Commercial Intelligence Journal* No. 1874 (December 30, 1939), page 1251, concerning Cyprus import regulations, Mr. Henri Turcot, Canadian Trade Commissioner at Cairo, reports that orders of January 22, 1940, transfer "provisions, tinned, bottled, smoked, dried, in fancy receptacles" from the category of goods prohibited entry from non-British Empire countries, and from Canada and Newfoundland, to the category of goods that may be imported under licence from such countries.

Gibraltar

IMPORT LICENCES

With reference to the notice in *Commercial Intelligence Journal* No. 1882 (February 24, 1940), page 321, Mr. A. B. Muddiman, Canadian Trade Commissioner at Milan, has now forwarded an expanded list of the goods requiring licences on entry into Gibraltar as follows:—

Bacon, including ham and fat backs; biscuits; butter; cereals, including beans, dried and tinned, breakfast cereals and similar products, corn-flour, lentils, macaroni, oatmeal, peas, dried and tinned, pearl barley, rice, sago, semolina and tapioca; cheese; eggs; fish, canned; fish, dried and cured; fruit, canned; fruit, dried; flour; flour, self-raising; jam; lard; marmalade; meat, canned; meat, frozen; meat, cooked and sausage; milk, powder; milk, tinned; milk foods, dried; sugar; syrup; cooking oils; poultry, frozen; chemicals; clothing, including boots and underwear; cotton and cotton fabrics; leather.

For importation of other goods, an import licence is not necessary.

Palestine

DUTIES ON WHEAT AND WHEAT FLOUR

In consequence of the values determined by the Director of Customs, Palestine, for operation of the sliding scale of duties on wheat and wheat flour (see *Commercial Intelligence Journal* No. 1877: January 20, 1940, page 96), hard wheat imported during the quarter ending March 31, 1940, will be subject to the following rates of duty per bushel, applicable to types of like quality in each instance: Manitoba No. 1, Dark Hard Winter No. 1, Manitoba No. 2, Manitoba No. 3. Hard Red Winter No. 2, and Triticum Durum Nos. 1, 2 and 3, 12 cents; Azyma, Theiss, and Triticum Durum No. 5, 18 cents. Rates on soft wheat are the equivalent of from 12 cents to 18 cents per bushel.

The equivalent rates per 100 pounds on wheat flour, resulting from the values set for the same period, are: Grade I and II types, 40 cents; Grade III, 69 cents; and Grade IV, 89½ cents.

Straits Settlements

POISONS ORDINANCE 1938

Mr. K. F. Noble, Assistant Trade Commissioner at Singapore, has forwarded to the Department of Trade and Commerce, Ottawa, copies of the text

of the Poisons Rules 1939, issued by the Straits Settlements Government under power of the Poisons Ordinance 1938. These may be obtained by makers and exporters of ethical and proprietary drugs, and by other interested parties, upon application to the Department of Trade and Commerce, Ottawa, mentioning file No. 31886.

The ordinance will become effective on notification in the official gazette.

Denmark

IMPORT CONTROL LAW

Mr. Richard Grew, Canadian Trade Commissioner at Oslo, advises that the Danish Import Control Law of December 16, 1937, subjecting many commodities imported into Denmark to import exchange permits, which was to expire December 31, 1939, has been extended by a law of January 1, 1940, until the end of 1940. (The law of December 16, 1937, was reported in *Commercial Intelligence Journal* No. 1772, January 15, 1938, page 80).

Netherlands Indies

STRONG MEDICINES ORDINANCE

With reference to the article in *Commercial Intelligence Journal* No. 1817 (November 26, 1938), page 946, Mr. K. F. Noble, Assistant Canadian Trade Commissioner at Singapore, reports that the Public Health Service of Netherlands Indies has listed 78 strong medicines that can be sold only on prescription and through licensed dispensaries. The medicines in this category are defined as materials injurious under certain circumstances to the health of human beings, to which a restorative, strengthening, beautifying, disinfecting or other medical effect with regard to the human body is ascribed.

IMPORT QUOTAS RENEWED

Mr. K. F. Noble, Assistant Trade Commissioner at Singapore, advises under date of January 16 that the Netherlands Indies import quota on sulphate of ammonia for the period ending November 26, 1940, shall not exceed 55,000 metric tons, of which Holland's share shall not be less than 46 per cent. The previous quota was the same. Other goods on which quotas have been extended include: glassware; enamelled ware; bicycles, parts and accessories; outer clothing and underwear; and various cotton goods.

Certificates of origin should be furnished with goods subject to import quota restrictions.

Japan

CONVENTIONAL TARIFF RATES CONTINUED FOR UNITED STATES GOODS

A Japanese Imperial Ordinance promulgated January 24, 1940, provides for the continuance of conventional customs tariff treatment to goods originating in the United States upon the expiration of the commercial treaty between Japan and the United States on January 26, 1940.

EXCHANGE CONDITIONS IN FOREIGN COUNTRIES

China

V. E. DUCLOS, CANADIAN TRADE COMMISSIONER

Shanghai, February 16, 1940.—The Chinese national dollar appreciated in value after the outbreak of the European hostilities; but abnormal imports of rice, cotton and wheat, combined with rumours of a new central bank and currency system to be established by the proposed Wang Ching-wei Government in the occupied areas of Central China, under Japanese sponsorship, have had a weakening effect on the market. The currency situation is very unsettled and the future of the Chinese national dollar is obscure.

FOREIGN EXCHANGE QUOTATIONS: WEEK ENDING MAR. 11, 1940

The Foreign Exchange Division of the Bank of Canada has furnished the following statement of the nominal closing quotations for all the principal exchanges for the week ending Monday, March 11, 1940, and for the week ending Monday, March 4, 1940, with the official bank rate:—

Country	Unit	Present or Former Gold Parity	Nominal Quotations in Montreal Week ending March 4	Nominal Quotations in Montreal Week ending March 11	Official Bank Rate
Belgium	Belga	.1001	\$.1871	\$.1886	2
Bulgaria	Lev	.0072	.....	.....	—
Denmark	Krone	.2680	.2143	.2144	5½
Finland	Markka	.0252	.0175	.0151	4
France	Franc	.0392	.0245	.0243	2
Great Britain	Pound	4.8666			
	Buying		4.4300	4.4300	2
	Selling		4.4700	4.4700	—
Greece	Drachma	.0130	.0079	.0079	6
Holland	Guilder	.4020	.5897	.5893	3
Hungary	Pengo	.1749	.3227	.3227	4
	Unofficial		.1953	.1953	—
Italy	Lira	.0526	.0560	.0560	4½
Yugoslavia	Dinar	.0176	.0250	.0250	5
Norway	Krone	.2680	.2521	.2521	4½
Portugal	Escudo	.0442	.0401	.0399	4-4½
Roumania	Leu	.0060	.....	.....	3½
Spain	Peseta	.1930	.1104	.1104	5
Sweden	Krona	.2680	.2643	.2644	3
Switzerland	Franc	.1930	.2489	.2489	1½
United States	Dollar	1.0000			
	Buying		1.1000	1.1000	1
	Selling		1.1100	1.1100	—
Mexico	Peso	.4985	.1849	.1848	3
Cuba	Peso	1.0000	.....	.....	—
Guadeloupe	Franc	.0392	.0245	.0243	—
Jamaica	Pound	4.8666	4.4800	4.4800	—
Martinique	Franc	.0392	.0245	.0243	—
Other British West Indies	Dollar	1.0138	.9313	.9313	—
Argentina	Peso (Paper)	.4245	.3304	.3304	3½
	Free	.1196	.2597	.2603	—
Brazil	Milreis (Paper)	.1196	.0673	.0673	—
	Free	.0558	.0558	.0555	—
British Guiana	Dollar	1.0138	.9313	.9313	—
Chile	Peso	.1217	.0573	.0573	3-4½
	Export		.0444	.0444	—
Colombia	Peso	.9733	.6343	.6347	4
Peru	Sol	.2800	.....	.....	6
Venezuela	Bolivar	.1930	.....	.....	—
Uruguay	Peso	1.0342	.....	.....	—
	Controlled		.7307	.7307	—
	Uncontrolled		.4274	.4274	—
South Africa	Pound	4.8666	4.4600	4.4600	3½
Egypt	Pound (100 Piastres)	4.9431	4.5800	4.5800	—
China (Shanghai)	Dollar	.....	.0745	.0735	—
Hongkong	Dollar	.....	.2695	.2650	—
India	Rupee	.3650	.3227	.3227	3
Japan	Yen	.4985	.2602	.2602	3.29
Java	Guilder	.4020	.....	.....	—
Thailand (Siam)	Baht (Tical)	.4424	.3941	.3935	—
Straits Settlements	Dollar	.5678	.5096	.5218	—
Australia	Pound	4.8666	3.5800	3.5800	3
New Zealand	Pound	4.8666	3.5900	3.5900	4

The Dominion Bureau of Statistics has supplied the following note:—

New official regulations limiting the use of "so-called" free sterling at New York were announced on March 8 by the British Exchange Control Board, to be effective March 25. This was immediately reflected in a sharp drop in the free rate to \$3.868 on March 11 as compared with \$3.915 on the 4th. Corresponding weakness was also noted for the Canadian dollar, rates being off 3¼ cents at 82¼ cents as the week closed. At Montreal French francs, paralleling sterling at New York, dropped 3 points between March 4 and 11 to 2.43 cents. Among neutrals, strength for the belga lifted quotations 15 points higher to 18.86 cents at the close, while florin rates eased 4 points to 58.93 cents. Official buying and selling rates set by the Canadian Foreign Exchange Control Board for sterling and United States funds continued unchanged at \$4.43-\$4.47 and \$1.10-\$1.11, respectively.

Canadian Trade Commissioners should be kept supplied with catalogues, price lists, discount rates, etc., and the names and addresses of trade representatives by Canadian exporters. Catalogue should state whether prices are at factory point, f.o.b. at port of shipment, or, which is preferable, c.i.f. at foreign port.

The Canadian Government Trade Commissioners at the present time are using Bentley's Second Phrase Code.

TRADE OPPORTUNITIES ABROAD FOR CANADIAN PRODUCTS

The Trade Inquiries for Canadian products published below have been received since the publication of the last issue of the *Commercial Intelligence Journal*. Interested exporters may secure the names and addresses of the firms making these inquiries, together with further details regarding the commodities required, on application to the Director, Commercial Intelligence Branch, Department of Trade and Commerce, Ottawa, or—

Secretary, Board of Trade—

Saint John, N.B.
Halifax, N.S.
Quebec, P.Q.
Montreal, P.Q.
Toronto, Ont.
Chatham, Ont.

Guelph, Ont.
Kitchener, Ont.
Brantford, Ont.
Stratford, Ont.
Woodstock, Ont.
St. Mary's, Ont.

Portage la Prairie, Man.
St. Boniface, Man.
Winnipeg, Man.
Vancouver, B.C.
New Westminster, B.C.

Secretary, Chamber of Commerce—

Sherbrooke, P.Q.
Kingston, Ont.
Oshawa, Ont.
Belleville, Ont.

Peterborough, Ont.
London, Ont.
St. Catharines, Ont.
Hamilton, Ont.

Victoria, B.C.
Prince Rupert, B.C.

Windsor Chamber of Commerce, Windsor, Ont.

Commercial Intelligence Service, Department of Municipal Affairs, Trade and Commerce, Quebec.

Department of Industry, Brantford, Ont.

Industrial Commissioner, Stratford, Ont.

La Chambre de Commerce de Montréal, 25 St. James E., Montreal, P.Q.

Secretary, Canadian Manufacturers Association—

Toronto, Ont.
Montreal, P.Q.

Winnipeg, Man.
Edmonton, Alta.

Vancouver, B.C.
Victoria, B.C.

Director, Bureau of Industrial and Trade Extension, Department of Trade and Industry, Victoria, B.C.

Canadian exporters should, for follow-up purposes, transmit a copy of any reply sent in response to a Trade Inquiry to the Trade Commissioner in the territory from which the inquiry emanated.

Commodity	No.	Location of Inquirer	Purchase or Agency
Foodstuffs—			
Tomatoes, Soups, Salmon, Her-rings (Canned).....	157-160	London, England.....	Agency.
Tomato Catsup.....	161	Lisbon, Portugal.....	Agency.
Milk, Condensed.....	162	New York City, New York.	Purchase.
Barley.....	163	Oporto, Portugal.....	Agency.
Cod Oil.....	164	New York City, New York.	Agency.

TRADE INQUIRIES—*Concluded*

Commodity	No.	Location of Inquirer	Purchase or Agency
Miscellaneous—			
Cotton Yarn.....	165	Cape Town, South Africa..	Agency.
Silk Yarns.....	166	Lisbon, Portugal.....	Agency.
Elastic Webbing for Corsets....	167	Lisbon, Portugal.....	Agency.
Rubber Hose (Water).....	168	Lisbon, Portugal.....	Agency.
Rubber Goods (Mechanical)....	169	Lisbon, Portugal.....	Agency.
Pearl Buttons.....	170	London, England.....	Agency.
Razor Blades.....	171	Lisbon, Portugal.....	Purchase and Agency.
Numbering Machines and Office Novelties.....	172	Lisbon, Portugal.....	Agency.
Leather, Box Calf.....	173	Lisbon, Portugal.....	Agency.
Leather, Patent.....	174	Lisbon, Portugal.....	Agency.
Furs.....	175	Oporto, Portugal.....	Agency.
Carbonizing Tissue Paper in Reels	176	Trim, Co. Meath, Ireland..	Purchase.
Gummed Kraft Paper in Rolls...	177	Dublin, Ireland.....	Purchase.
General Stationery and Cover Papers.....	178	Darling Point, Australia..	Purchase or Agency.
Builders' Hardware.....	179	Melbourne, Australia.....	Manufacture on Royalty Basis.
Hurricane Lanterns.....	180	Horley, Surrey, England..	Purchase.
Electric Light Fittings.....	181	Melbourne, Australia.....	Manufacture on Royalty Basis.
Electric Cables.....	182	Lisbon, Portugal.....	Agency.
Refractory Cement for High- temperature Furnaces.....	183	Lisbon, Portugal.....	Agency.
Gas Space and Water Heaters....	184	Melbourne, Australia.....	Manufacture on Royalty Basis.
Gas Fires and Appliances.....	185	Melbourne, Australia.....	Manufacture on a Royalty Basis.
Annealed Baling Wire.....	186	Dublin, Ireland.....	Purchase.
Iron and Steel Products.....	187	Limassol, Cyprus.....	Agency.
Iron Pipes.....	188	Lisbon, Portugal.....	Agency.
Iron Pipes.....	189	Oporto, Portugal.....	Agency.
Ebonite Sheets and Rods.....	190	Melbourne, Australia.....	Agency or Manufacture on a Royalty Basis.
Brass Tubes and Sheets.....	191	Melbourne, Australia.....	Agency or Manufacture on a Royalty Basis.
Aluminium Silico Fluoride; Magnesium Silico Fluoride....	192	Melbourne, Australia.....	Purchase.
Baths, Basins, etc.....	193	Melbourne, Australia.....	Manufacture on a Royalty Basis.
Hospital Equipment, Plumbers' Brass-foundry.....	194	Melbourne, Australia.....	Agency or Manufacture on a Royalty Basis.
Sandwich Glass for Automobiles..	195	Lisbon, Portugal.....	Agency.
Handles of Ash or Other Suitable Wood for Hoes, Rakes, Forks, etc.....	196	Dublin, Ireland.....	Agency.

Canadian manufacturers and exporters are strongly advised to file all numbers of the *Commercial Intelligence Journal* for future reference, and to bind them with the Index at the end of each half-year.

COMMERCIAL INTELLIGENCE SERVICE

L. D. WILGRESS, *Director*

Argentina

J. A. STRONG, B. Mitre 430, Buenos Aires (1). (Territory includes Uruguay.) *Cable address, Canadian.*

Australia

Sydney: L. M. COSGRAVE. Address for letters—P.O. Box No. 3952V. Office—City Mutual Life Building, Hunter and Bligh Streets. (Territory includes the Australian Capital Territory, New South Wales, Queensland, Northern Territory and Dependencies.) *Cable address, Canadian.*

Melbourne: FREDERICK PALMER, 83 William Street, Melbourne, C.1. (Territory includes States of Victoria, South Australia, Western Australia, and Tasmania.) *Cable address, Canadian.*

Belgium and Luxemburg

YVES LAMONTAGNE, Commercial Attaché, Shell Building, 60 rue Ravenstein, Brussels. *Cable address, Canadian.*

Brazil

L. S. GLASS. Address for letters—Caixa Postal 2164, Rio de Janeiro. Office—Ed. Da. "A. Noite," Sala 802, Praca Maua. *Cable address, Canadian.*

British India

PAUL SYKES. Address for letters—P.O. Box 886, Bombay. Office—Gresham Assurance House, Mint Road, Bombay. (Territory includes Burma and Ceylon.) *Cable address, Canadian.*

British Malaya

J. L. MUTTER, Union Building, Singapore, Straits Settlements. (Territory includes the Straits Settlements, the Federated Malay States, the Unfederated Malay States, Thailand, British Borneo, and Netherlands India.) *Cable address, Canadian.*

British West Indies

Trinidad: M. B. PALMER. Address for letters—P.O. Box 125, Port of Spain. Office—Barclay's Bank Building. (Territory includes Barbados, Windward and Leeward Islands, and British Guiana.) *Cable address, Canadian.*

Jamaica: F. W. FRASER, P.O. Box 225, Kingston. Office—Canadian Bank of Commerce Chambers. (Territory includes the Bahamas and British Honduras.) *Cable address, Canadian.*

China

V. E. DUCLOS. Address for letters—P.O. Box 264, Shanghai. Office—Ewo Building, 27 The Bund, Shanghai. (Territory includes Central China and North China.) *Cable address, Canadian.*

Cuba

C. S. BISSETT. Address for letters—Apartado 1945, Havana. Office—Royal Bank of Canada Building, Calle Aguiar 367, Havana. (Territory includes Haiti, the Dominican Republic, and Puerto Rico.) *Cable address, Canadian.*

Egypt

HENRI TURCOT. Address for letters—P.O. Box 1770, Cairo. Office—22 Shari Kasr el Nil, Cairo. (Territory includes the Sudan, Palestine, Cyprus, Iraq, Syria, Iran, Greece, Turkey, Bulgaria, and Roumania.) *Cable address, Canadian.*

France

HERCULE BARRÉ, Commercial Attaché, 3 rue Scribe, Paris (9). (Territory includes French Colonies in North Africa.) *Cable address, Cancomac.*

Hongkong

P. V. McLANE. Address for letters—P.O. Box 80, Hongkong. Office—Hongkong and Shanghai Bank Building, Hongkong. (Territory includes South China, the Philippines, and Indo-China.) *Cable address, Canadian.*

Ireland

JAMES CORMACK, 66 Upper O'Connell Street, Dublin, Ireland (*cable address, Canadian*); and 36 Victoria Square, Belfast, Northern Ireland.

Italy

A. B. MUDDIMAN, Via Manzoni Nr. 5, Milan (102). (Territory includes Spain, Portugal, Gibraltar, Malta, Albania, and Yugoslavia.) *Cable address, Canadian.*

CANADIAN GOVERNMENT TRADE COMMISSIONERS—*Con.*

Japan

C. M. CROFT, Commercial Secretary. Address for letters—P.O. Box 18, Akasaka Post Office, Tokyo. Office—Canadian Legation, 16 Omotecho, 3-chome, Akasakaku, Tokyo. *Cable address, Canadian.*

Mexico

R. T. YOUNG. Address for letters—Apartado Num. 126-Bis, Mexico City. Office—Edificio Banco de Londres y Mexico, Num. 30, Mexico City. (Territory includes Guatemala, Honduras, and Salvador.) *Cable address, Canadian.*

Netherlands

J. A. LANGLEY, Commercial Attaché, Coolsingel 111b, Rotterdam. (Territory includes Switzerland.) *Cable address, Canadian.*

New Zealand

W. F. BULL. Address for letters—P.O. Box 33, Auckland. Office—Yorkshire House, Shortland Street, Auckland. (Territory includes Fiji and Western Samoa.) *Cable address, Canadian.*

Norway

RICHARD GREW, Stortingsgaten 28, Oslo. (Territory includes Sweden, Denmark, and Finland.) *Cable address, Canadian.*

Panama

H. W. BRIGHTON. Address for letters—P.O. Box 222, Panama City. Office—98 Central Avenue, Panama City. (Territory includes the Canal Zone, Venezuela, Colombia, Nicaragua, and Costa Rica.) *Cable address, Canadian.*

Peru

M. J. VECHSLER. Address for letters—Casilla 1212, Lima. Office—Edificio Boza, Carabaya 831, Plaza San Martin, Lima. (Territory includes Bolivia, Ecuador, and Chile.) *Cable address, Canadian.*

South Africa

Cape Town: J. C. MACGILLIVRAY. Address for letters—P.O. Box 683. Office—New South African Mutual Buildings, 17 Parliament Street. (Territory includes Cape Province and Southwest Africa, Natal, Tanganyika, Kenya, Uganda, Mauritius, and Madagascar.) *Cable address, Cantracom.*

Johannesburg: J. H. ENGLISH. Address for letters—P.O. Box 715. Office—Prudential Assurance Building, 92 Fox Street. (Territory includes Transvaal, Orange Free State, the Rhodesias, Portuguese East Africa, Mozambique, and Nyasaland.) *Cable address, Cantracom.*

United Kingdom

London: FREDERIC HUDD, Chief Trade Commissioner in the United Kingdom, Canada House, Trafalgar Square, S.W.1. *Cable address, Sleighing, London.*

London: G. R. HEASMAN, Trade Commissioner, Canada House, Trafalgar Square, S.W.1. (Territory includes Home Counties, Southeastern Counties, and East Anglia; also British West Africa.) *Cable address, Sleighing, London.*

London: W. B. GORNALL, Fruit Trade Commissioner, Aldine House, Bedford Street, Strand, W.C.2. *Cable address, Canfrucum.* (Territory—for fresh fruit only—includes United Kingdom, Norway, Denmark, Sweden, France, Holland, and Belgium).

London: G. R. PATERSON, ANIMAL PRODUCTS TRADE COMMISSIONER, Canada House, Trafalgar Square, S.W.1. *Cable address, Agrilson.*

Liverpool: A. E. BRYAN, Martins Bank Building, Water Street. (Territory includes North of England, Lincolnshire, North Midlands, and North Wales.) *Cable address, Canadian.*

Bristol: E. L. MCCOLL, Northcliffe House, Colston Avenue. (Territory includes West of England, South Wales, and South Midlands.) *Cable address, Canadian.*

Glasgow: G. B. JOHNSON, 200 St. Vincent Street. (Territory covers Scotland.) *Cable address, Cantracom.*

United States

New York City: D. S. COLE, British Empire Building, Rockefeller Center. (Territory includes Bermuda.) *Cable address, Cantracom.*

Chicago: W. J. RIDDIFORD, Tribune Tower, 435 North Michigan Avenue. *Cable address, Canadian.*

Los Angeles: B. C. BUTLER, Associated Realty Building, 510 West Sixth Street. *Cable address, Canadian.*

Note.—Bentley's Second Phrase Code is used by Canadian Trade Commissioners.

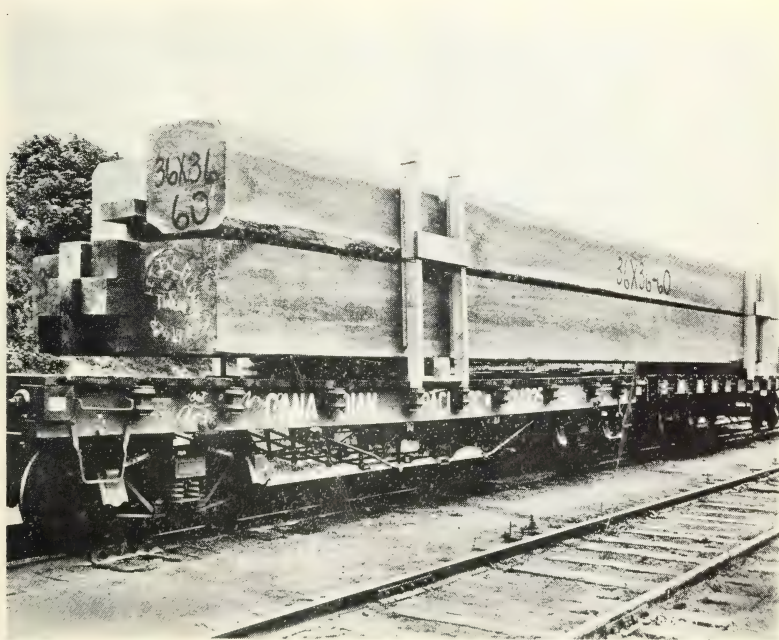
Nov. Doc
Can
T

COMMERCIAL INTELLIGENCE JOURNAL

Vol. LXII

Ottawa, March 23, 1940

No. 1886



Railway Load of Douglas Fir Timber from British Columbia

ISSUED BY AUTHORITY OF
THE HON. W. D. EULER, MINISTER OF TRADE AND COMMERCE
JAMES G. PARMELEE, DEPUTY MINISTER



CONTENTS

	Page
Overseas Trade of the United Kingdom.....	431
Control of Ferrous Metals and Iron and Steel Products in the United Kingdom	432
Sale and Distribution of Feedstuffs in Great Britain.....	436
Fish Meal Sales Procedure in the United Kingdom.....	437
Canada's Domestic Exports to the United States of Principal Commodities affected by the Canada-United States Trade Agreement: Month of February, 1939 and 1940.....	438
Australian Wheat and Flour	444
Australia's Pre-war Market for Various Paper Types.....	444
Displacement of European Trade with Hongkong.....	449
United States Lumber Market Conditions.....	450
Canadian Trade Opportunities in the Belgian Congo.....	452
Imports into the United States of Products under the Quota Provisions of the Trade Agreement.....	453
Tenders Invited: New Zealand	454
Tariff Changes and Trade Regulations	454
Exchange Conditions in Empire and Foreign Countries:	
British Malaya	457
Netherlands India	458
British Trade Commissioners in Canada	458
Trade Inquiries for Canadian Products.....	458
Foreign Exchange Quotations	460
Commercial Intelligence Service.....	461

COMMERCIAL INTELLIGENCE JOURNAL

Issued Every Saturday by the Department of Trade and Commerce

PUBLISHED in English and French. Subscription Price for either edition: \$1 per annum in Canada (single copies 5 cents each); \$3.50 outside the Dominion (single copies 10 cents each). Remittances, which may be made by Post Office or Express Orders, or Drafts, or Cheques, payable at par in Ottawa, should be addressed to the King's Printer, Government Printing Bureau, Ottawa.

Vol. LXII

Ottawa, March 23, 1940

No. 1886

OVERSEAS TRADE OF THE UNITED KINGDOM

FREDERIC HUDD, CHIEF TRADE COMMISSIONER IN THE UNITED KINGDOM

London, February 26, 1940.—As indicated in a recent report on conditions in the United Kingdom, the country's overseas trade was profoundly affected by war conditions in the period immediately succeeding the outbreak of hostilities, and in the first month the value of exports fell by nearly 40 per cent. A recovery in October has been progressively maintained and the returns for January show an increase in exports and imports, both in comparison with the month of December, 1939, and with January, 1939.

EXPORTS AND IMPORTS HIGHER

Exports of United Kingdom products in January amounted to £41,073,574, an increase of £904,946 (or $2\frac{1}{4}$ per cent) over the previous month, and of £1,593,976 (or 4 per cent) as compared with January, 1939. The most striking feature of the returns of the overseas trade for January, however, is the high level of imports, which were valued at £104,961,147. This figure is £18,378,707 or 21 per cent higher than the value of imports in December, and £29,389,330 or 39 per cent higher than the value for January, 1939. Values of imports include freights, and there is no doubt that a proportion of the rise is attributable to the higher cost of transportation. The fall in sterling and the rise in prices also contributed to the expansion.

The adverse balance of trade on merchandise account for the month was £60,230,000, which is £16,318,000 above that recorded in December and £28,734,000 greater than in January, 1939. This position lends emphasis to the Government's efforts towards increasing exports and restricting non-essential imports.

EXPORT CHANGES

Reviewing the movement of commodities, practically the whole of the improvement in exports was due to a larger trade in manufactured goods. The most noteworthy increases occurred in coal, exports of which in January, amounting to £3,472,012, were 16 per cent higher than a year ago, and in chemicals, drugs, dyes and colours which, at £2,780,597, rose by 36 per cent. These increases were offset by declines from £4,586,681 to £2,824,106 in vehicles (including locomotives, ships and aircraft), and from £4,568,176 to £3,837,158 in exports of machinery.

IMPORT TRENDS

Regarding imports, in the category of food and drink, arrivals of grain and flour (£7,976,559) advanced in value as compared with January last year by 40 per cent; those of meat (£9,941,135) by 26 per cent; and those of dairy produce (£9,966,892) by 33 per cent. Among raw materials, raw cotton imports (£5,910,179) expanded by 61 per cent, and raw wool imports (£8,050,096) by 31 per cent. In the manufactured goods class the most important increases

took place in oils, fats and resins, which, entered at £8,600,369, went up by 55 per cent as compared with January, 1939. On the other hand, deliveries of wood and timber (£1,695,113) fell by 40 per cent, reflecting the interruption in the Baltic trade.

STIMULATION OF EXPORT TRADE

As intimated in a previous report, with a view to the greater encouragement of export trade, the Government has appointed an Export Council, consisting of representatives of industry, to meet regularly in collaboration with the Department of Overseas Trade. The general objective is to increase the annual value of exports from £438,000,000 to at least £600,000,000 in order to assist in providing the foreign exchange needed for increased imports of munitions, raw materials and food.

CONTROL OF FERROUS METALS AND IRON AND STEEL PRODUCTS IN THE UNITED KINGDOM

S. V. ALLEN, ASSISTANT TRADE COMMISSIONER

London, February 19, 1940.—In view of the importance of the iron and steel industry to a wartime economy, it was natural that on the outbreak of war the United Kingdom Government should establish a wide measure of control over the trade in iron and steel products and raw materials required for their manufacture. Early in September, the facilities of the British Iron and Steel Federation, an existing trade organization whose previous activities extended, among other things, through an affiliated organization to the trade in scrap iron and steel, were placed at the disposal of the Iron and Steel Control of the Ministry of Supply with headquarters in London.

The existing regulations governing domestic purchases and sales, as well as the production, treatment, transport, storage or utilization of specified iron and steel products were embodied in the sixth Iron and Steel Control Order (No. 127) of January 29, 1940 (effective February 1), and Direction No. 1 of the same date. Trade in scrap iron and steel is now governed by the regulations issued in the fifth Iron and Steel Control Order (No. 1626) of November 14, 1939 (effective November 17) and Direction (Scrap Order) No. 1 of the same date. The orders referred to are virtually the same in character and intent as orders issued prior to these dates and which were subsequently revoked to meet changing conditions of trade.

Notes are given below on various aspects of the regulations now in force as well as on orders related to the control over import and export trade in various items.

LICENSING REGULATIONS

Sales and purchases of specified products "situate in the United Kingdom" with certain exceptions, can only be made under licences issued to buyers by the Iron and Steel Control of the Ministry of Supply or under the direction of that organization. The following products are now subject to the licensing regulations:—

1. Ore (excluding iron pyrites and cupreous pyrites, but including pyrites ash and burnt pyrites residues whether in briquetted or other form) containing not less than 15 per cent of iron.

2. Manganese ore; ore, concentrate or residue containing tungsten, molybdenum or vanadium.

3. Ferro-alloy of any kind; molybdenum metal, calcium molybdate, molyte, bricks and briquetted forms of molybdenum dioxide and of molybdenum trioxide, tungsten metal, tungsten-carbide, cemented carbide hard metal, calcium silicide.

4. Cinder and scale produced during the manufacture or mechanical treatment of iron and steel.

5. Iron and steel in any of the following forms: pig; ingot; billet, bloom, slab; tinplate bar, sheet bar; plate, medium plate, sheet (and whether coated or uncoated); tire, axle, wheel; casting, block for forging, block for pressing, forging, stamping, pressing; colliery arch, and accessories therefor, pit prop; angle, channel, tee, joist, piling section, other sectional material (and whether fabricated or not); round, rod, square, hexagon, flat, other section and shape (and whether black or bright); rail, sleeper, fishplate, sole-plate; tinplate, terne plate, black plate, silver-finished plate; hoop, strip (and whether coated or uncoated, and whether hot cold-rolled); tube, pipe, and standard fittings therefor (and however made); bolt, nut, screw stud, washer, rivet, screw; railway spring (and whether laminated or coiled); bridge, pier, tank, plate and other structural steel work, in assembled or partly assembled form (and whether complete or incomplete); wire rod; or coated or uncoated wire whether plain or barbed, wire rope, wire strand, wire netting, wire chain link fencing, wire mesh, wire nail, wire staple.

Licences granted by the Iron and Steel Control may be revoked and must be surrendered by the holders as directed, but no restrictions are placed on the operations of carriers in handling these products in the ordinary course of business.

TRANSACTIONS EXEMPT FROM LICENSING REGULATIONS

Direction No. 1, dated January 29, 1940, provided for certain exemptions from the licensing regulations. Until further notice purchases of the following products for use in the United Kingdom may be arranged without licence:—

(a) Iron ore mined or quarried in the United Kingdom, pyrites ash and burnt pyrites residues.

(b) Manganese ore for use in the manufacture of chemicals, electric batteries, manganese metal, glass or ceramics.

(c) Tanks and cylinders of which every sheet or plate is less than $\frac{3}{16}$ -inch thickness.

(d) Iron castings which have been subject to any process other than moulding, fettling, annealing or painting.

(e) Boot and shoe grindery.

In addition, any material subject to the licensing regulations (except pig iron and high speed steel containing 14 per cent or more of tungsten) may be acquired without licence when required by any Government department, by any person having a contract with a Government department or a sub-contract under such a contract, and by persons engaged in certain specified undertakings for use in those undertakings.

Under these exemptions, however, merchants are not authorized to acquire materials for stock without licence. Other urgent requirements for use in the United Kingdom may be purchased without licence from stocks actually held by merchants at the time of purchase.

Purchases not exceeding the quantities specified for the following products, or £10 in value, are also not subject to licence provided they are to be used in the United Kingdom:—

Ferro-alloy of any kind, 5 cwts.; calcium molybdate, 56 lbs.; molyte, 56 lbs.; tungsten metal, 56 lbs.; tungsten carbide, 10 lbs.; cemented carbide hard metal, 2 lbs.; calcium silicide, 5 cwts.; tinplate, 6 cwts. or 3 double boxes; terne plate, 6 cwts. or 3 double boxes; black plate, 5 cwts.; silver-finished plate, 5 cwts.; iron casting, 5 cwts.; bolt, nut, screw stud, washer, 5 cwts.; rivet, 5 cwts.; screw, 5 cwts.; and bridge, pier, tank plate and other structural steel work, in assembled or partly assembled form (and whether complete or incomplete), 5 cwts.

Only one purchase without licence of these materials to the maxima permitted may be made in the same calendar week.

PRIORITIES

It may be assumed that the transactions just referred to, which are exempt from the licensing regulations, constitute a priority list in so far as the use of available materials for domestic consumption is concerned. For purposes not included in this category, the tendency in future may be in the direction of licensing the use of materials required to maintain and improve export

trade, in preference to those required by manufacturers catering solely to the domestic market. This, however, is primarily a matter for the Board of Trade, as the Iron and Steel Control is concerned fundamentally with supply and not sale.

STOCK RETURNS

Provision has been made for complete returns of stocks held and business done by firms engaged in the production, merchandising and consumption of the controlled materials, as well as of other particulars appertaining to such trade, to be submitted to the Iron and Steel Control as and when required. Firms undertaking the transport or storage of the licensed products may also be called upon to keep and produce records of the traffic done and accounts or documents related to the movement of these goods. The inspection of such records may be made by the Ministry of Supply when necessary.

MAXIMUM PRICES

Sales of raw materials and finished iron and steel products are now subject to the maximum prices scheduled in Iron and Steel Order (No. 6) of January 29, 1940, and some eighty-four related schedules lodged with the Ministry of Supply. The Ministry is also empowered to establish maximum prices or to specify the prices at which sales may be made, in cases where maximum prices for products subject to the licensing regulations have not already been fixed. The basis schedule issued with the sixth order is so comprehensive that it is only possible to mention a number of the most important ones, such as:—

Pig Iron—

Basic: South Wales, N. E. Coast, Scotland and Mersey Ports, Lancashire, Cheshire, North Wales and North Staffordshire.....	£ 5	4s.	6d.	per ton
Hematite: No. 1 Mixed Nos., S. & P. over 0·03 per cent but not exceeding 0·05 per cent; Scotland, N.E. Coast and West Coast of England.....	£ 6	7s.	6d.	per ton
Foundry and Forge: No. 3 Iron, Class 2: delivered Birmingham....	£ 5	13s.	0d.	per ton

Billets, Blooms and Slabs for Re-rolling—

Basic: Soft U.T. (100 ton lots).....	£ 9	7s.	6d.	per ton
Silico-manganese	£13	2s.	6d.	per ton
Free-cutting	£11	2s.	6d.	per ton

High Speed Steel—

Bars, 14 per cent tungsten	3s.	0d.	per lb.
Bars, 18 per cent tungsten	3s.	10d.	per lb.
Bars, 22 per cent tungsten	4s.	4d.	per lb.

Wire Rods—

All sizes with exception of over 7/0 gauge and 6 gauge delivered in all districts in the United Kingdom except Birmingham and Scotland and Southern Joint Area:—				
Soft basic ·08 per cent to ·25 per cent C.....	£13	15s.	6d.	per ton
Hard basic ·42 per cent to ·60 per cent.....	£16	18s.	0d.	per ton
Free-cutting	£15	18s.	0d.	per ton

Rails—

Heavy, 60 lbs. per yard and over, in lots of 500 tons and over; f.o.t. maker's works	£11	3s.	0d.	per ton
Light, flange rails, up to and including 25 lbs. per yard.....	£13	6s.	6d.	per ton

Bright Drawn Steel Bars—

Mild steel to no analysis or tests.....	£19	15s.	0d.	per ton
---	-----	------	-----	---------

Tinplate—

Coke quality per basis box (I.C. 20 by 14—112 sheets—108 lbs.) f.o.t. maker's works	£ 1	4s.	9d.	per ton
---	-----	-----	-----	---------

Wire—

Mild steel wire, catch weight coils, 6/8 standard wire gauge:				
Hard drawn	£18	0s.	0d.	per ton
Mild drawn	£19	10s.	0d.	per ton
Annealed	£19	10s.	0d.	per ton
Galvanized barbed wire, 2 or 4 point, 2 ply, 12½ gauge.....	£26	0s.	0d.	per ton

Unless otherwise stated, the basic maximum prices mentioned above are delivered to buyer and are subject to usual rebates, allowances, extras, etc., as defined in the related schedules.

The current prices for pig iron represent an increase of some 12s. per ton over those in force between September 1 and November 1 of last year, and are an advance of 3s. per ton on the price in effect between November 1, 1939, and January 31, 1940. On February 1 a corresponding increase of £1 a ton in the case of semi-finished and heavy steel products became effective, and similar adjustments were also made in the prices for finished products. These additions, as in the case of the additions made as from November 1, 1939, are for the purpose of meeting from a Central Fund the additional costs, including higher freight charges, which arise from importations of raw and semi-finished materials under war conditions.

SCRAP IRON AND STEEL

Scrap iron and steel were not placed under control until September 25, 1939. Certain changes in the regulations and prices then established were made on November 25, and they are still in force.

The licensing regulations governing sales of scrap and steel are similar to those issued for other iron and steel materials, except that an overriding commission of $2\frac{1}{2}$ per cent is provided for in the case of sales made by bona fide scrap iron and steel merchants who were carrying on business on September 22, 1939. The prices set for various consuming areas for a detailed classification of scrap products are divided into the following categories:—

- (a) Special scrap, steel containing not more than .05 per cent sulphur and .05 per cent phosphorus.
- (b) Alloy steel scrap.
- (c) Scrap iron and steel for the manufacture of steel ingots (twelve areas).
- (d) Scrap iron and steel for use in wrought iron manufactures (six areas).
- (e) Scrap iron and steel for use in blast furnaces (eleven areas).
- (f) Scrap iron and steel for foundry castings (twenty-two areas).
- (g) Cast iron borings for use in chemical dye-works and allied processes (two areas).
- (h) Scrap iron and steel for the manufacture of refined pig iron (four areas).

Under class (a) the basic price for furnace sizes of heavy steel scrap, less than $\frac{1}{4}$ -inch in thickness is fixed at 66s. 6d. per ton delivered, with additional surcharges up to 5s. per ton where small sizes are required, and up to 2s. 6d. per ton depending on quantity and delivery over a fixed period. Heavy shovellable steel turnings are 49s. per ton. The consumers' delivered South Wales (West) price for heavy wrought iron and steel scrap (furnace sizes) under category (c), providing it is free from alloys, cast iron and deleterious material, and not less than $\frac{1}{4}$ -inch thick, including properly cut heavy motor chassis frames, is 58s. 3d. per ton. Cast iron borings (class (g)) used by consumers in Lancashire are priced at 40s. per ton with specified surcharges according to quantity and delivery.

Freight differentials for additional charges incurred in making delivery to specified points not included in certain areas may be added, while allowances may be granted where deliveries are not clean and to specification, in accordance with trade custom.

At present, however, only the following descriptions of scrap are subject to the trade licensing regulations:—

1. Special scrap steel containing not more than .05 per cent of sulphur and .05 per cent of phosphorus.
2. High speed steel scrap containing 14 per cent or more of tungsten.
3. Scrap steel containing $1\frac{1}{2}$ per cent or more of nickel.
4. Shipbreaking scrap iron and scrap steel.

IMPORT AND EXPORT CONTROL

Control over the imports of iron and manganese ores, concentrates and residues is vested in the Director of Foreign Ores of the Iron and Steel Control, London, with whose approval the Import Licensing Department of the Board of Trade may issue import licences. Applications to import a large number of other specified iron and steel goods subject to import licence must also be referred to the Iron and Steel Control in the first instance (see *Commercial Intelligence Journal* No. 1875, January 6, 1940, pages 27-29), although applications to import other items, particularly machinery (see *Commercial Intelligence Journal* No. 1869, November 25, 1939, pages 954-955), are required to be lodged direct with the Import Licensing Department of the Board of Trade. There are no special provisions for the importation of iron and steel products from Empire countries under an open general licence.

The export of certain specified iron and steel products is at present prohibited to named countries except under licence issued by the Export Licensing Department of the Board of Trade. The products and countries affected were listed in the consolidated Export of Goods (Control) Order, 1940 (effective January 15, 1940), and are divided into the three licensing categories established by Export of Goods (Prohibition Order No. 2) of September 2, 1939 (see *Commercial Intelligence Journal* No. 1863, October 14, 1939, pages 706-709).

SALE AND DISTRIBUTION OF FEEDSTUFFS IN GREAT BRITAIN

H. L. BROWN, ASSISTANT TRADE COMMISSIONER

London, February 17, 1940.—In pursuance of plans for controlling the sale and distribution of feedstuffs in the United Kingdom, the Minister of Food has made the Feeding Stuffs (Licensing and Control) Order, 1940 (S.R. & O. 1940, No. 154), which prohibits, except under licence, the purchase or sale of feedstuffs in Great Britain after February 29, 1940, by any dealer, i.e., any importer, manufacturer or wholesale or distributing dealer. The Order does not apply to Northern Ireland. While the new arrangement does not directly affect Canadian exporters the following details may be valuable as indicating business procedure in Great Britain.

LICENCES

Individual licences to trade are required by all feedstuffs dealers whose sales in the twelve months July 1, 1938, to June 30, 1939, exceeded 500 long tons. It is the intention in general to issue licences to all established dealers.

A general licence (S.R. & O. 1940, No. 155) has been issued under this Order covering any dealer whose total sales did not exceed 500 long tons in the period stated.

Certain manufacturers who produce feedstuffs as by-products are not required to obtain licences for the sale of by-products as such; but if these are used by the manufacturer in the production of feeding mixtures or compounds, he falls under the general regulations regarding licences. The exceptions are flour millers in respect of wheat feed or bran, seed crushers in respect of single seed cakes or extracted meals, manufacturers of beet sugar in respect of beet pulp or molasses, and brewers, distillers and maltsters in respect of brewery or distillery grains, malt culms and yeast.

APPLICATION OF THE ORDER

Broadly speaking, the Order applies to any person, other than a grower or consumer, who buys or sells feedstuffs as a principal. Consequently the customers of all Canadian exporters of feedstuffs will be included.

FISH MEAL SALES PROCEDURE IN THE UNITED KINGDOM

H. L. BROWN, ASSISTANT TRADE COMMISSIONER

London, February 17, 1940.—With reference to the brief report on the Control of Feedstuffs in the United Kingdom which was published in *Commercial Intelligence Journal* No. 1882 (February 24, 1940), and which was mainly of interest to Canadian exporters as reporting that fish meal imported into the United Kingdom is now purchased for Government account, the following notes on sales procedure in the United Kingdom will be of interest.

COMMITTEE OF IMPORTERS

As noted, the United Kingdom Ministry of Food are now the sole importers of fish meal, and under the auspices of the Ministry a committee of United Kingdom fish meal importers has been formed from importers actively interested in this trade for some time prior to the outbreak of war. An importer is a trader who, in the ordinary course of trade, is drawn upon by the shipper in the country of origin, or who is the first direct receiver from the shipper. Consequently, the committee does not include United Kingdom firms who are distributors in the ordinary course of their business. Membership is limited to United Kingdom firms.

PROCEDURE AND SALES CONDITIONS

Offers are tabled with the committee at meetings held twice weekly, and such offers are subsequently submitted by the secretary of the committee to the Ministry of Food.

The buying conditions laid down by the Ministry of Food are on the terms of the fish meal contract of the London Cattle Food Trade Association, except that landed weights are final. Allowances for shortage of protein will be made on a pro rata basis, and for surplus oil and salt will be at the rate of 1 per cent for each 1 per cent, and proportionately for fractions. Analysis is to be ascertained by the method prescribed in the Fertilizers and Feeding Stuffs Act, 1926 (details of which are given on pages 56 to 59 of the pamphlet "Feedstuffs in the United Kingdom" issued by the Department of Trade and Commerce, Ottawa) on the samples taken on arrival at United Kingdom port of discharge; and analysis final is by Dr. Bernard Dyer & Partners Ltd., of London, England.

EFFECT ON CANADIAN SALES

It will be clear from the foregoing that all offers of Canadian fish meal of whatever type must be submitted through the importers' committee to the Ministry of Food, and sales direct to United Kingdom firms are discontinued.

**CANADA'S DOMESTIC EXPORTS TO THE UNITED STATES OF PRINCIPAL COMMODITIES AFFECTED BY THE CANADA-UNITED STATES TRADE AGREEMENT
EFFECTIVE FROM JANUARY 1, 1939; ALSO UNITED STATES TARIFF RATES IN FORCE. (MONTH OF FEBRUARY, 1939 AND 1940, AND TWO MONTHS
ENDED FEBRUARY, 1939 AND 1940.)**

NOTE.—The descriptions of the commodities in the following table are taken from the Canadian Customs statistical classification. The tariff rates are taken from the United States tariff classification. These classifications are not always identical, and the rates quoted, therefore, may not apply in all cases entirely, or exclusively, to the commodities for which statistics are given. A number of products affected by the agreement are not included in the table because statistics are not available.

(COMPILED BY THE EXTERNAL TRADE BRANCH, DOMINION BUREAU OF STATISTICS; AND THE FOREIGN TARIFFS BRANCH)

Commodities	Quantities				Value				United States Tariff		
	Month of February		Two Months ended February		Month of February		Two Months ended February		Before first Agreement, i.e., 1935	Canada-United States Agreement, (Jan. 1, 1939)	
	1939	1940	1939	1940	1939	1940	1939	1940			
AGRICULTURAL AND VEGETABLE PRODUCTS											
Fruits and vegetables—											
Blueberries, frozen.....	Lb.	53,900	17,900	163,290	164,290	3,616	1,634	8,709	10,579	35% ad val.	17½% ad val.
Blueberries, fresh, n.o.p.....	Lb.	43,195		343,593		2,474		19,889		11c. per lb.	11c. per lb.
Potatoes, seed, certified.....	Bu.	21,846	13,079	159,305	77,732	16,918	12,857	158,443	68,631	76c. per 100 lbs.	37½c. per 100 lbs., March 1 to Nov. 30; 60c. per 100 lbs., Dec. 1 to last day of Feb. (d)
Potatoes, n.o.p.....	Bu.	394	10,002	911	13,703	276	7,940	733	10,602	75c. per 100 lbs.	75c. per 100 lbs. on imports in excess of 1,500,000 bu. per 12-month period beginning Sept. 15.
											37½c. per 100 lbs., Mar. 1 to Nov. 30; 60c. per 100 lbs., Dec. 1 to last day of Feb. 75c. per 100 lbs. on imports in excess of 1,000,000 bu. plus quantity domestic crop falls below 350,000,000 bu. per 12-month period, beginning Sept. 15.
Turritips.....	Bu.	245,976	364,431	567,254	708,988	81,182	163,412	185,537	321,095	25c. per 100 lbs.	12½c. per 100 lbs.
Grains and farinaceous products—											
Barley.....	Bu.	2		2	20	2		2	11	20c. per bu.	15c. per bu.
Oats.....	Bu.	63,003	232,429	131,350	484,266	22,644	113,904	47,734	235,830	16c. per bu.	8c. per bu.
Rye.....	Bu.									15c. per bu.	12c. per bu.
Bran, shorts and middlings.....	Cwt.	137,884	428,312	347,155	860,119	129,400	430,580	313,827	864,751	10% ad val.	5% ad val.
Cereal foods, prepared.....	Bu.					6,491	7,890	14,425	10,740	20% ad val.	10% ad val.
Malt.....	Bu.	98,950	98,059	191,328	216,864	88,583	72,060	172,239	159,400	40c. per 100 lbs.	40c. per 100 lbs., if barley malt; 35c. per 100 lbs. if rye malt.
Screenings, scalplings, chaff or scourings											
of grain, ground or unground.....	Cwt.	16,161	112,905	54,175	186,372	5,429	58,667	15,609	84,829	10% ad val.	5% ad val.
Maple Syrup.....	Gal.	925	16	948	1,177	964	58	1,013	1,521	4c. per lb.	2c. per lb.
Maple sugar.....	Lb.	259,870	11,076	967,732	26,983	41,636	2,167	163,405	4,264	6c. per lb.	3c. per lb.
Whiskey.....	Pt. gal.	44,382	76,236	132,841	150,848	234,867	414,925	692,295	821,609	\$5 per pt. gal.	\$2.50 per pt. gal. if aged in wooden containers for at least four years

Seeds—									
Clover seed, alfalfa.....	Bu.	6,943	9,578	16,174	19,860	80,177	111,367	178,159	224,245
Clover seed, alsike.....	Bu.		1,025	103	2,307		6,787	371	18,451
Clover seed, red.....	Bu.		25	33	56		180		344
Clover seed, sweet.....	Bu.		2,764	27,821	6,079	25,826	3,761	51,737	9,016
Grass seed, bromo (a).....	Bu.		20,613		48,442		24,941		61,501
Grass seed, crested wheat (a).....	Bu.		3,036		6,938		6,621		14,524
Grass seed, n.o.p. (included bromo and crested wheat grass seed prior to April 1, 1939).....	Bu.	22,159	1,447	32,306	2,100	82,172	4,003	132,334	5,318
Beet pulp.....	Cwt.	30	8	36	18,383	37	8	44	29,487
Hulls of grain.....	Cwt.	8,000	45,754	22,500	111,259	2,999	18,220	8,142	44,126
Mixed feeds.....	Ton	3,553	9,276	8,252	18,327	5,710	5,893	7,719	13,432
Hay.....	Ton	655	2,282	1,342	4,388	2,540	9,323	5,047	17,613
Straw.....	Ton								18,028
ANIMALS AND ANIMAL PRODUCTS									
Animals, living—									
Cattle for improvement of stock.....	No.	544	633	1,149	1,219	54,215	69,808	115,785	123,596
Dairy cattle, n.o.p., weighing over 700 lbs.....	No.	550	438	1,332	960	34,828	30,633	86,727	64,814
Cattle, n.o.p., weighing less than 200 lbs.....	No.	3,426	3,375	6,399	6,824	66,679	74,761	122,054	160,323
Cattle, n.o.p., weighing over 700 lbs.....									
	No.	8,091	3,950	36,243	9,598	522,989	298,493	2,313,370	687,048
Horses, n.o.p.....									
	No.	467	320	765	735	55,815	38,250	91,518	85,598
Poultry, n.o.p.....									
Swine, n.o.p.....	No.	1,500	2,890	22,409	8,652	956	1,414	18,348	6,659
Fish, fresh and frozen—	No.								
Clams and oysters, fresh.....	Cwt.	2,652	5,078	7,920	9,222	2,666	7,008	8,074	11,899
Shallops, fresh and frozen.....	Cwt.	345	463	935	668	8,757	7,962	20,456	11,115
Cod, haddock, hake, pollock, cusk, and rosefish, fresh and frozen, filleted (b).....	Cwt.		3,653		6,866		34,662		63,507
Other fish, fresh and frozen, filleted (b).....	Cwt.		2,657		5,849		39,048		83,847
Cod, haddock, pollock, hake and cusk, fresh and frozen, not filleted (included fillets prior to Jan. 1, 1940).....	Cwt.	10,779	4,166	24,884	6,992	75,906	17,457	155,312	31,933
Eels, fresh and frozen.....	Cwt.	31	79	206	319	247	476	1,557	1,850
Halibut, fresh and frozen, not filleted (included fillets prior to Jan. 1, 1940).....	Cwt.	1,904	3,940	2,519	5,425	25,232	47,583	33,806	61,705
Herring, sea, fresh and frozen.....	Cwt.	1,405	5,743	6,134	16,402	4,903	12,407	16,756	31,858

a. From April 1, 1939. (b) From January 1, 1940.

(c) Quota for period Jan. 1–Dec. 31, 1940 (225,000 head), allocated 86.2 per cent to Canada and 13.8 per cent to other countries, equivalent to 193,950 head to Canada and 31,050 head to other countries. Maximum quarterly quota (30,000 head) allocated on same basis: Canada, 31,730 head, other countries 8,260 head.

(d) Effective December 23, 1939, the rate of 3½¢ per 100 lbs. applies also December 1 to last day of February.

Pork, pickled, in barrels.....	Cwt.	269	1,139	312	1,639	4,702	14,432	5,804	21,168	3c. per lb., but not less 3c. per lb., but not less than 15% ad val.	12c. per lb., but not less 3c. per lb., but not less than 15% ad val.
Edible animal entrails, n.o.p.....	Cwt.										
Milk products—											
Cheese.....	Cwt.	1,917	814	5,737	2,317	35,656	16,416	97,921	45,863	7c. per lb., but not less than 35% ad val.	4c. per lb., but not less than 25% ad val. if cheddar cheese, not further processed than divided into portions.
Cream.....	Gal.									56%oc. per gal.	25%oc. per gal.
										56%oc. per gal. on imports in excess of 1,500,000 gals. during any calendar year.	56%oc. per gal. on imports in excess of 3,000,000 gals. during any calendar year.
Milk, fresh.....	Gal.	248	244	496	473	93	76	186	144	64c. per gal.	64c. per gal. on imports in excess of 3,000,000 gals. during any calendar year.
Whale oil.....	Gal.									5c. per gal. if sperm oil.	24c. per gal. if sperm oil.
Wood, Wood Products and Paper											
Christmas trees.....	No.	37,390	64,762	62,541	112,055	3,765	5,477	18,587	17,996	10% ad val.	5% ad val.
Fence posts.....	No.	15,765	11,165	34,099	32,582	44,979	35,575	118,325	93,834	Free.	Free.
Telegraph and telephone poles.....	No.	5,672	28,489	26,786	41,888	3,126	28,978	14,026	42,525	Free.	Free.
Railroad ties.....	Cord	3,866	3,990	7,878	7,661	21,890	20,630	44,973	39,550	Free.	Free.
Firewood.....	M	9,899	9,226	19,170	20,488	30,971	25,235	55,675	56,185	Free.	Free.
Laths.....	M ft.	11,483	14,973	27,123	29,589	114,884	225,271	291,003	415,253	Free.	Free.
Logs.....	M	770	308	3,529	1,193	9,196	4,543	27,023	11,276	Free.	Free.
Pickets.....	M	2,985	2,460	10,523	2,460	383	655	1,004	685	\$1 M ft. b.m. if fir, spruce, pine, hemlock, or larch.	50c. per M ft. b.m. if fir, spruce, pine, hemlock, or larch.
Piling.....	Lin. ft.									Free if other kinds.	Free if other kinds.
Planks and boards and square timber—	M ft.	2	6	3	61	112	267	152	2,541	8% ad val. if maple, birch or beech.	4% ad val. if maple, birch or beech.
Planks and boards, hardwood, n.o.p., and square hardwood timber.....	M ft.	3,375	3,848	6,658	8,043	138,121	156,175	275,126	334,036	Free, but subject to \$3 M ft. b.m. revenue tax.	Free, but subject to \$1.50 M ft. b.m. revenue tax.
Planks and boards and square timber, softwood.....	M ft.	48,696	34,726	91,253	69,958	1,038,064	1,090,787	2,015,551	2,117,202	\$1 M ft. b.m. and \$3 M ft. b.m. revenue tax, if fir, spruce, pine, hemlock or larch.	\$1 M ft. b.m. and \$1.50 M ft. b.m. revenue tax, if fir, spruce, pine, hemlock or larch.
										Free, but subject to \$3 M ft. b.m. revenue tax if other woods.	Free, but subject to \$1.50 M ft. b.m. revenue tax if other woods.
Pulpwood.....	Cord	44,845	76,692	95,147	145,918	301,344	541,138	632,945	1,040,019	Free.	Free.
Shingles.....	Square	236,266	211,267	505,942	371,019	655,521	563,756	1,437,074	955,956	Free.	Free.
										United States reserves right to impose duty not to exceed 25c. square on red cedar shingles in excess of 30% United States consumption.	United States reserves right to impose duty not to exceed 25c. square on red cedar shingles in excess of 30% United States consumption.

(a) Excludes fillets from January 1, 1940

CANADA'S DOMESTIC EXPORTS TO THE UNITED STATES OF PRINCIPAL COMMODITIES AFFECTED BY THE CANADA-UNITED STATES TRADE AGREEMENT
EFFECTIVE FROM JANUARY 1, 1939; ALSO UNITED STATES TARIFF RATES IN FORCE. (MONTH OF FEBRUARY, 1939 AND 1940, AND TWO
MONTHS ENDED FEBRUARY, 1939 AND 1940.—Concluded)

Commodities	Quantities				Value				United States Tariff	
	Month of February		Two Months ended February		Month of February		Two Months ended February		Before first Agreement, i.e., 1935	Canada-United States Agreement, (Jan. 1, 1939)
	1939	1940	1939	1940	1939	1940	1939	1940		
WOOD, WOOD PRODUCTS AND PAPER—Con.										
Staves and headings.....										
Wood pulp.....	700,663	1,162,579	1,591,093	2,654,354	1,243	293	2,473	653	Free if staves.....	Free if staves.
Paper—					1,690,003	2,873,610	3,752,074	6,289,693	Free.....	Free.
Book paper, and newsprint side runs and side rolls.....	20,781	70,443	48,548	134,823	24,202	97,894	54,092	191,230	1c. per lb. and 10% ad val.	1/5c. per lb. and 5% ad val.
Newsprint paper.....	2,707,998	3,179,129	5,959,873	6,705,739	5,862,646	6,800,325	12,918,104	14,287,125	Free.....	Free.
Pulpboard for wallboard.....	16,507	13,242	31,117	30,832	29,625	27,660	56,906	62,791	10% ad val. if pulpboard in rolls, not processed; but not less than 15% ad val. if pulpboard in rolls, processed.	15% ad val. if pulpboard in rolls, not processed; 15% ad val. if pulpboard in rolls, processed.
IRON AND ITS PRODUCTS										
Castings of iron and steel, n.o.p.....	63	83	201	100	435	336	1,313	506	20% ad val. if of iron....	10% ad val. if of iron.
Farm implements and machines and parts (except garden and farm tools and spades and shovels and parts).....										
Ferro-silicon.....	659	332	1,230	1,448	92,591	148,001	310,555	285,755	Free.....	Free.
Spiegeleisen.....	2,082	189	3,146	270	13,848	8,555	28,886	34,497	1c. per lb. on silicon content when containing 8% but less than 30% of silicon.	1c. per lb. on silicon content when containing 8% but less than 30% of silicon.
Ferro-manganese and other ferro-alloys, n.o.p.....	56	126	63	217	60,278	6,617	91,968	9,471	75c. per ton (2,240 lbs.)..	75c. per ton (2,240 lbs.)..
Skates.....	3,621	3,195	35,073	17,681	1,940	7,956	2,673	33,453	1c. per lb. on manganese content if ferro-manganese; 2c. per lb. on chromium content when containing not less than 3% of carbon if ferro-manganese; 1c. per lb. on chromium content when containing not less than 3% of carbon, if ferro-chrome. (Reduced to 1c. per lb., Swedish Agreement, Aug. 5, 1935).	1c. per lb. on manganese content when containing not less than 4% of carbon if ferro-manganese; 1c. per lb. on chromium content when containing not less than 3% of carbon, if ferro-chrome. 15% ad val.
NON-FERROUS METALS AND PRODUCTS										
Aluminium in bars, blocks, ingots, sheets, etc.....	11,720	12,155	24,958	13,961	160,918	181,462	361,272	205,226	4c. per lb., if crude.....	3c. per lb., if crude.
Aluminium scrap.....	439	779	958	1,608	9,354	11,870	11,089	18,384	4c. per lb.....	3c. per lb.
Cadmium.....			22				10		15c. per lb.....	7c. per lb.

Cobalt, contained in ore.....	Cwt.	207	82	275	20,164	6,520	24,664	Free.	Free.
Cobalt, metallic.....	Lb.			10,592	67,085	78,778	246,935	Free.	Free.
Nickel, contained in oxide.....	Cwt.	2,900	2,956	176,171	2,163,468	3,638,956	4,844,136	3c. per lb.	2½c. per lb.
Nickel, fine.....	Lb.	78,712	145,954	1,727,478	26,400	21,160	33,450	Free.	Free.
Selenium and salts of.....	Lb.	17,600	14,045	22,300	10,250		151,744	1½c. per lb. on zinc con-	1½c. per lb. on zinc con-
Zinc, contained in ore.....	Cwt.	9,767		104,600	34,151		24,404	1½c. per lb.	1½c. per lb.
Zinc spelter.....	Cwt.	4,000	25,200	8,000	40,437	84,154			
NON-METALLIC MINERALS AND PRODUCTS									
Abrasives, artificial, crude, including car-	Cwt.	81,877	134,553	307,624	375,741	430,348	907,576	Free.	Free.
borundum.....	Cwt.								
Asbestos, crude; asbestos milled fibres.....	Ton	13,110	15,152	30,650	603,943	871,243	1,172,956	Free.	Free.
and asbestos waste, refuse or shorts.....	Ton					2,574		20% ad val., if containing	15% or more of lime.
Basic refractory materials, dead-burned.....	Ton		100					30% ad val.	
Coal tar and pitch; creosote oil; and coal									
tar oils, n.o.p.....	Gal.	325,965	483,319	1,094,560	25,743	40,838	116,175	Free.	Free.
Feldspar.....	Ton	455	1,552	2,391	3,305	5,875	14,648	50c. per ton (2,240 lbs.),	25c. per ton (2,240 lbs.),
								if crude;	if crude;
Gypsum or plaster, crude.....	Ton		68,621	138,680	68,621	107,776	141,183	30% ad val., if ground.....	15% ad val., if ground.
Lime, building.....	Cwt.	5,303	9,027	14,682	3,623	3,253	5,791	3c. per 100 lbs., if lime-	23c. per 100 lbs., if lime-
								stone crude;	stone crude;
								12c. per 100 lbs., if hy-	6c. per 100 lbs., if hy-
								drated;	drated;
								10c. per 100 lbs., if other.	5c. per 100 lbs., if other
								Same rates as above.....	Same rates as above.
Lime, n.o.p.....	Cwt.	20,206	6,569	20,470	2,428	9,189	7,908	Free, if crude;	Free, if crude;
Nepheline syenite.....	Ton	1,850	2,815	4,780	14,321	12,475	23,537	30% ad val., if ground.....	15% ad val., if ground.
Quartzite.....	Ton							Free.	Free.
Sand and Gravel.....	Ton	704	1,010	2,121	356	678	847	Free.	Free.
Talc.....	Cwt.	6,798	7,148	13,025	3,564	9,404	6,804	17½% ad val., if valued	not more than \$14 ton.
CHEMICALS AND ALLIED PRODUCTS									
Acetic acid.....	Cwt.	381			1,808			1½c. per lb., if not over	1½c. per lb., if not over
								65%;	65%;
Acetylene black.....	Lb.	135,112	263,859	629,334	27,797	31,021	66,351	2c. per lb., if over 65%.	1c. per lb., if over 65%.
Soda and sodium compounds.....	Cwt.	37,216	47,889	121,102	137,473	285,394	420,936	20% ad val.	10% ad val.
Vinyl acetate and synthetic resins made	Cwt.							Free, if sodium cyanide.	Free, if sodium cyanide.
therefrom.....	Lb.	25,040	25,839	44,265	12,123	26,417	15,559	6c. per lb. and 30% ad	3c. per lb. and 15% ad
								val.	val.
MISCELLANEOUS COMMODITIES									
Junk, except metallic and rubber.....	Cwt.	737	2,302	4,376	8,409	11,082	15,452	10% ad val.	7½% ad val.
Organs and parts.....	No.	1	1	2	33	61	11,873	35% ad val., if pipe	17½% ad val., if pipe
								organs and parts;	organs and parts;
								40% ad val., if pipe-	20% ad val., if pipe-
								organ player actions	organ player actions
								(church);	(church);
								60% ad val., if pipe-	30% ad val., if pipe-
								organ player actions	organ player actions
								(other).	(other).

AUSTRALIAN WHEAT AND FLOUR

Mr. Frederick Palmer, Canadian Trade Commissioner at Melbourne, cabled on March 16 with respect to the wheat and flour situation in Australia as follows:—

The latest estimate of wheat production in Australia, including wheat for seed and feed, is 214,000,000 bushels. Already 194,450,000 bushels have been delivered to licensed receivers, and the Australian Wheat Board has disposed of 92,355,000 bushels to date. The price for 28,000,000 bushels sold to the British Government has still to be agreed upon, but at current prices the average realization for bagged wheat would be 4s. $\frac{1}{2}$ d. (equivalent to 70 cents Canadian) a bushel f.o.b. and 3d. less (or equivalent to 65 cents Canadian) a bushel for bulk wheat. Advances have been made to growers on 188,786,000 bushels, requiring £A.22,671,000 plus £A.1,834,000 for handling expenses, making a total expenditure of £A.24,505,000 by the Australian Government. Revenue to date has amounted to £A.2,923,000, including £A.426,000 from flour tax.

Shipping space still presents a serious problem, with a further 1,561,000 tons out of 3,670,000 tons of shipping space required to lift the exportable surplus. The Wheat Board is appointing a selling committee in Shanghai for more effective handling of the North China market. Some shipments have been made to that market, but exchange difficulties debar intensive buying by importers there. The British Government is instructing requisitioned liners to convey 10,000 tons of flour monthly to Great Britain, but the demand for flour is generally quiet, and exports this year are expected to be well below those of the last few years. Export quotations for flour are approximately £8 15s. (equivalent to \$30.80 Canadian) per ton of 2,000 pounds. Freight rates show a rising tendency above 140s. a ton for wheat cargoes to the United Kingdom, and 60s. are asked to Shanghai, but the demand is only moderate. There are no indications that owners of Japanese steamers are willing to enter into charters for Europe or the East.

AUSTRALIA'S PRE-WAR MARKET FOR VARIOUS PAPER TYPES

R. P. BOWER, ASSISTANT TRADE COMMISSIONER

[NOTE.—This report was prepared just previous to announcement of the adoption of import licensing regulations in Australia on December 1, 1939, and its publication halted because of uncertainty of the effect of these regulations on the paper items discussed. It is being published now for its value as background information and should be read in the light of information on the application of the import licensing regulations to paper products as published in the *Commercial Intelligence Journal*. The effect of the application of the regulations to a number of paper items is discussed in the report "Australian Import Control Regulations: Effect on Canadian Trade" in *Commercial Intelligence Journal* No. 1878, January 27, 1940.—Ed.]

Sydney.—Australia's imports of paper and stationery for the twelve months ended June 30, 1938, were valued at £4,673,152. Canada was the largest supplier with shipments valued at £1,433,453, followed by the United Kingdom with £1,301,841. Over 70 per cent of Canada's total was represented by newsprint in rolls. Norway, Sweden and Finland together supplied £562,000 worth of papers other than newsprint in rolls as compared with £420,575 from Canada. Supplies from the United Kingdom were valued at £957,200.

Due to the war, deliveries from Scandinavian countries are now uncertain, while supplies from enemy sources have stopped entirely. Countries now incorporated in the German Reich supplied paper worth £128,721 to Australia during the twelve months ended June 30, 1938. Japan, the United States of

America, and other neutral countries which are not likely to be greatly influenced by the war in Europe, will be able to make up for a portion of the displaced lines, but it is to Canada that the bulk of the users are turning for their future requirements.

Local paper manufacturers are alive to the opportunities that have suddenly arisen, and the output of existing lines is being increased and the range of varieties enlarged. War conditions have created an opportunity for Canadian mills, and any Canadian firms with paper products to offer should send full details with samples and prices to the offices of the Trade Commissioners in Australia. Canada has secured practically the entire newsprint field for the time being under a long term contract so that it is in other paper types that the principal interest lies.

NOTES ON PAPER TYPES

In the following paragraphs, the headings employed are those of the Australian statistics. In certain cases they are quite general and embrace a wide variety of paper types. The figures after each heading show the quantity and value of total imports under the heading for the year ended June 30, 1938, the last year for which complete statistical data are available.

Absorbent Paper for Copying Machines and Duplicating Paper.—11,245 cwt., £10,269. This item is not of great importance and imports have come almost exclusively from the United Kingdom. Local mills supply the bulk of the demand, and should have no difficulty replacing any business which may be lost by the United Kingdom and European suppliers as a result of the war.

Blotting Paper.—10,312 cwt., £29,153. The demand for low-grade blotting paper is taken care of by two local mills, and imports are principally confined to high-grade rag blottings of English origin. For the year ended June 30, 1938, the United Kingdom shipped to Australia 8,160 cwt. of such paper valued at £24,928. During the same period arrivals from Canada amounted to 789 cwt. valued at £2,170. Germany supplied 908 cwt. of cheaper blotting paper, valued at £1,132, and the cessation of these supplies should result in a slight increase in the demand for medium-grade Canadian qualities. The outlook is not encouraging, however, as the prices of Canadian rag qualities have always been high and, with present exchange rates and other increased charges, the better grades may be prohibitive, especially as the cheaper qualities are reasonably satisfactory for general purposes.

Straightboard, Lined and Unlined.—65,980 cwt., £27,485. The trade in this item has long been a virtual monopoly of the Netherlands. For the year under review Canada supplied 2,180 cwt. of lined board valued at £1,512. Unless shipments from Holland are interrupted it is unlikely that this figure can be greatly improved. Local mills manufacture a substitute board which could replace without difficulty a good portion of present imports. Interested Canadian mills can secure a more definite report on prospects for these types if they will send samples and prices of the particular grades they are prepared to export.

Other Boards.—325,693 cwt., £352,352. This heading covers a wide range of paperboard. Among the suppliers, only the United Kingdom (£109,921) and Sweden (£61,415) exceeded Canada (£55,490) in importance. However, combined imports from those countries that are now a part of the German Reich considerably exceeded imports from Canada, so that there is some scope for increased shipments from Canada if satisfactory suppliers can be located. The bulk of the cheaper qualities are catered for by the Australian mills; but even in these grades importation is possible because local facilities cannot cope with the demand. A wide range of weights and colours is required, with the best opportunities for an imported board lying in the medium- and higher-priced brackets.

Cartridge Paper.—12,575 cwt., £24,639. The United Kingdom is the largest supplier under this heading, and during the year shipped 8,120 cwt. valued at £18,086. Other suppliers, in order of importance, included Norway (£2,450), Sweden (£1,908), Germany (£693) and Finland (£579). Cartridge paper is not made in Australia, but bleached sulphite is available as a substitute.

Cover Paper and Pressings.—10,118 cwt., £17,733. Canada was not a supplier of this item in the year ended June 30, 1938, the principal sources being the United Kingdom (£9,349), Austria (£3,131), Czecho-Slovakia (£2,225), Finland (£1,242), and Germany (£1,000).

Samples of the types in greatest demand are available for inspection by interested exporters at the Department of Trade and Commerce, Ottawa. These embrace a wide range of weights and colours, the principal requirements being strength and a hard, sized surface. Novel finishes such as stucco, leather and old ivory have increased in popularity in recent years, and new and attractive patterns sell well. The largest sales have been in sheets 20½ inches by 30½ inches, 78 and 120 pounds, 500's, and 23 inches by 36 inches, 102 pounds 500's; but there is a good market for 20½ inches by 30½ inches, 60 pounds 500's as well.

Dry Flog for Stereo Matrices.—2,703 cwt., £12,931. Over 70 per cent (£9,456) of imports under this heading originated in the United Kingdom. Germany supplied £2,538 and was the only other important source. As deliveries from the United Kingdom are uncertain and those from Germany eliminated, there have been numerous inquiries for Canadian connections. Canadian prices for flog were previously considered high as compared to European, but the necessity of obtaining supplies has overcome the price factor.

Electrical Insulating Paper and Boards.—13,780 cwt., £61,779. Largest suppliers in order of importance were the United Kingdom, £51,600; United States, £4,056; Canada, £1,994. Inquiries for Canadian materials have been received, and Canadian manufacturers should send to the Canadian Trade Commissioners at Sydney and Melbourne samples and prices of materials which could be used if regular supplies are cut off.

Fruit Wrapping Paper.—41,558 cwt., £78,817. Scandinavia and the countries now incorporated in the German Reich supplied over 78 per cent of imports during the year under review, while Canada's share was valued at only £5,173. Thus a sharp increase in the demand for Canadian wraps is expected.

Although the United Kingdom has never been an important supplier of fruit wraps, United Kingdom exporters introduced a variety to Australia shortly prior to the outbreak of war that held definite promise. If a similar type can be obtained from Canada, some worthwhile business could result. This wrap was a specially manufactured M.G. tissue produced primarily for the wrapping of apples. The paper is impregnated with a preserving material which is applied to the rough side of the sheet and has the effect of preserving the fruit about three months longer than is the case with normal wraps. The preservative is non-poisonous and odourless, and when used even in small quantities retards the effects of bacteria and fungus. It has been found particularly effective against putrescent bacteria. Even where such bacteria and fungi are present on the fruit when it is picked, the use of the wrap seems to prevent penetration, and thereby improves the keeping qualities of the apples.

This paper is desired in weights from 17 to 20 grams M.Z., approximately one million sheets per ton. Sheets should be 9 inches by 10 inches, packed in parcels of 15,000 sheets, six parcels per bale. A sample of this paper in 18-gram weight is available at the Department of Trade and Commerce, Ottawa, for the inspection of interested Canadian firms.

Gummed Paper.—8,443 cwt., £29,890. Imports of this type have come almost entirely from the United Kingdom and as there is considerable local

manufacture little concern exists over future requirements. Certain base papers for the local factories are imported and there is an opening for Esparto grass paper for this purpose. Interested exporters should send samples and prices to the Canadian Trade Commissioners in Australia. The greatest demand is for 18 inches by 23 inches, 32 pounds, 500's plain, and 37 pounds, 500's, in bright enamelled. There is certain to be an increase in the demand for such base papers in Australia as the result of decreased imports of finished papers from the United Kingdom.

Paper Felt and Carpet Felt Paper.—9,582 cwt., £8,065. Local manufacturers should have little difficulty meeting any increased demand that may be made upon them as a result of the war.

Newsprint.—Due to the war, supply of most Australian needs will be offered to Canadian mills. Newfoundland mills will also benefit as Bowaters in England have transferred their tonnage to their Newfoundland mills. Under contract with the local publishers the bulk of imported newsprint in rolls must come from Canada, and it is improbable that there will be any serious shortage of supplies. The exchange control regulations in force in Australia, however, have overridden provisions in the contract calling for payment in American funds, and made it compulsory for exporters to accept payment in sterling or Canadian dollars.

Printing Paper in Sheets Not Less Than 20 Inches by 25 Inches.—29,415 tons, £792,590. Imports from the United Kingdom for the year ended June 30, 1938, amounted to 20,022 tons valued at £558,844. These figures compare with 1,476 tons valued at £30,141 from Canada. Countries now controlled by Germany supplied 3,154 tons valued at £80,110, while arrivals from Scandinavian countries were valued at £78,000.

It is apparent that an excellent opportunity exists for the expansion of Canadian shipments in this category. Local mills are going after this business and undoubtedly they will cut in on imports to some extent, but they are unlikely to be able to meet the demand for some years yet.

Rotogravure papers are an important item under this heading, and a number of importers are anxious to obtain supplies from Canada. In about two years, a plant to be erected in Tasmania should be producing in the neighbourhood of 27,000 tons per annum, although it is estimated that about 25 per cent of its sulphite pulp requirements will have to be imported.

Stencil, Carbon and Similarly Prepared Copying Papers.—157,534 lbs., £18,103. Two-thirds of the imports under this heading originated in the United Kingdom and the bulk of the remainder in the United States. Base paper for stencils is important and Canadian manufacturers are asked to supply samples and prices to the Canadian Trade Commissioners in Australia.

Surface Coated Paper n.e.i., Plain or Embossed, Also Marble and Foil Paper.—19,802 cwt., £61,996. Prior to the war, Austria with £29,000 was the largest supplier, followed by England (£17,401) and Belgium (£14,927). Buyers are interested in prices from Canada on chromo and enamelled types, and are prepared to pay considerably more for them than they paid when supplies were readily available from European countries. A wide range of weights and colours is required and interested firms should indicate whether or not they are prepared to match colours submitted by clients in this country, and if so the minimum quantities required.

Tissue and Tissue Cap Paper and Paper for Paper Patterns.—124,252 cwt., £175,251. Scandinavian countries supplied 89,000 cwt. of the total, valued at £106,478, as compared with 6,570 cwt. from Canada valued at £9,284. The volume from Germany was not important and the question of future requirements depends chiefly on the ability of the Baltic suppliers to make deliveries. This heading includes jumbo rolls, which are imported for rewinding and cutting

locally for use in toilet papers. Competition has always been keen between Canadian and Scandinavian mills in these grades, but the lion's share of the business has gone to the latter because their f.o.b. price of approximately £1 per cwt. has always been from 8 to 10 shillings a ton lower than the Canadian, and more than offset the difference in duty under the Australian tariff.

True Vegetable Parchment.—39,763 cwt., £92,469. The United Kingdom has been the largest supplier of this item and during the year ended June 30, 1938, shipped 34,539 cwt. valued at £78,153. The only other important supplier was Germany with 4,375 cwt. valued at £11,187.

The chief use for vegetable parchment in Australia is for butter wraps. To assist this important primary industry, vegetable parchment is admitted to the Commonwealth free of duty and primage from all sources. The cancellation of German, and the uncertainty of British, supplies has created an urgent demand for alternative sources, and if offers could be obtained from Canada, business could be booked with little difficulty.

The following sizes and substances are in greatest demand: 12 $\frac{1}{4}$ inches by 48 inches substance, 30-32 lbs., D.C.; 36 $\frac{1}{2}$ inches by 45 $\frac{1}{2}$ inches substance, 23-24 lbs. D.C.; 34 $\frac{1}{2}$ inches by 46 inches substance, 23-24 lbs. D.C.; 36 inches by 45 inches substance, 18-19 lbs. D.C.; 36 inches by 36 inches substance, 21-22 lbs. D.C. Substances are based on Double Crown (20 inches by 30 inches), 480 sheets per ream. Packing should be in bales of approximately 500 lbs., the 12 $\frac{1}{4}$ -inch by 48-inch grades packed twenty reams in a bale. It is particularly desirable that the 23-24 lb. and 18-19 lb. substance should be non-curling as the sheets are printed and cut to 1-lb. and $\frac{1}{2}$ -lb. wrappers, and used on automatic butter moulding and packing machines, and unless the paper lies flat it causes stoppages in the machine.

Mill Glazed Sulphites.—45,884 cwt., £59,805. Canada was the largest supplier under this heading during the year ended June 30, 1938. As the capacity of local mills to produce these types is being expanded it is not expected that any acute shortage will develop.

Transparent Cellulose.—10,809 cwt., £69,255. This heading covers a wide range of transparent papers of the "cellophane" type. The increasing popularity of these papers for wrapping and other purposes is reflected in the import statistics which indicate that for 1935 only 1,175 cwt. were imported. At that time the average value was approximately £10 per cwt. By the next year the average price had been reduced to approximately £7 7s. per cwt. and the amount imported increased threefold to 3,336 cwt. For the year ended June 30, 1937, the quantity had increased to 6,125 cwt., and for the corresponding period of 1938 the figure was 10,809 cwt. and the average price £6 8s. per cwt.

The largest supplier in 1938 was the United Kingdom with 5,962 cwt. valued at £41,668. Japan was in second place with 2,741 cwt. valued at £15,671, followed by the United States with 491 cwt. valued at £5,707. Canada did not enter the picture until 1937, but in the year ended June 30, 1938, shipped 234 cwt. worth £2,978.

Such papers are not made in Australia so that importers are interested in all specifications from Canada. A certain amount of processing, such as gumming and printing, is done locally, and in view of the rapidly expanding uses of this paper and the absence of local competition it is one that prospective Canadian exporters should carefully examine.

Grease-proof Wrapping and Imitations Thereof.—127,522 cwt., £182,526. Aside from one or two sample parcels, there have been no imports from Canada under this heading. As the Scandinavian countries (82 per cent), followed by Germany (14 per cent), have been the principal suppliers, the war has created an acute shortage of these types, and a keen interest in offers from Canada. Interested Canadian exporters should supply samples and prices of

their papers and complete information on weights available, as well as extra charges for printing and colouring.

Writing and Typewriting Paper (Plain), Not Including Duplicating.—396,967 cwt., £686,646. A large increase in imports from Canada under this heading during the year ended June 30, 1938, as compared with the previous year, placed Canada (47,725 cwt.) second only to the United Kingdom (208,963 cwt.) as a supplier, although combined shipments by Scandinavian countries amounted to 108,828 cwt. The reduction of imports from the Baltic and the cutting-off of German supplies (which amounted to 18,800 cwt.) has created a demand for Canadian papers which the mills with connections here apparently cannot meet. Any Canadian mills with an exportable surplus of bank or bond papers, or any of the types that come within this category, should send samples and prices to the Trade Commissioners' offices in Australia.

CONCLUSION

There are better opportunities for the sale of certain Canadian paper types in Australia now than have existed before. Importers are prepared to pay more for Canadian papers than for Scandinavian or English, because of the relative certainty of regular arrivals. Although there will be a reversion to European supplies when the war is ended, a certain percentage of the connections will remain. With the increased volume that Canadian mills may obtain, reduction in costs are possible which may make Canadian papers more competitive with European types when conditions return to normal.

DISPLACEMENT OF EUROPEAN TRADE WITH HONGKONG

P. V. McLANE, CANADIAN TRADE COMMISSIONER

Hongkong, January 19, 1940.—With the severance of trade between Germany and Hongkong, and the curtailment of supplies from other European countries on account of the uncertainty connected with shipping, an opportunity has arisen for Canadian exporters to participate in the market for a number of products which have heretofore been practically monopolized by countries in Europe, particularly Germany.

Hongkong being a free port, the products of all countries compete on an equal basis. Although the principal competition is absent at the present time, Canadian manufacturers will consequently have to compete with other countries of supply, which are taking the present opportunity of developing their business in Hongkong.

The following is a list of items which Canadian firms may be in a position to supply to the Hongkong market, and for which, providing competitive prices can be quoted, there is a regular and worthwhile demand:—

Muriate of ammonia	Shoe tacks	Leather belting
Bichromate of potash	Shoe findings	Sanitary fixtures and fittings
Sulphuric acid	Wire nails	Sheet glue
Calcium carbide	Wire shorts	Gelatine
Soda ash	Piano wire	Dynamite
Sulphur	Brass sheets	Domestic brushes
Zinc oxide	Brass tubes	Kitchen utensils
Chlorate of potash	Gas and water pipes	Marine engines
Coal tar	Copper wire	Buttons
Naphthalene balls	Electric cables	Canvas duck
Aluminium powder	Zinc sheets	Rayon yarn
Sulphate of ammonia	Copper ingots	Woollen blankets
Patent medicines	Wire rope	Old newspapers
Mild steel bars and plates	Hinges, butts, hasps, etc.	Toys and games.
Screws and bolts	Pig iron	

No specifications covering any of the above items have been furnished since some potential Canadian suppliers may be deterred from investigating the possibilities of this market owing to their not being in a position to meet the customary demands of the market. Admittedly, it has been customary in the past for importers to insist on certain specifications which are well-known to the market, but under present conditions their main interest lies in locating sources of supplies.

It is, therefore, suggested that Canadian firms who are in a position to export any of the items listed should forward full particulars concerning their products, c.i.f. Hongkong prices, and samples, where possible, to the Canadian Government Trade Commissioner, P.O. Box 80, Hongkong. Canadian firms from whom such data are received will subsequently be provided with detailed reports relative to the possibility of developing business in their products in Hongkong.

UNITED STATES LUMBER MARKET CONDITIONS

W. D. WALLACE, OFFICE OF THE CANADIAN TRADE COMMISSIONER

New York, N.Y., March 11, 1940.—The trend of operations in the lumber industry during the past year was above that of 1938, production, consumption and prices showing increases and lumber stocks being further depleted. Following the outbreak of war in Europe there was an increase in lumber prices, but on the other hand the war affected the United States lumber export markets. The United Kingdom, one of the principal buyers of United States lumber, practically ceased purchases after the outbreak of the war. As in the preceding year, the building industry was again the chief support for the lumber industry in 1939. Prospects for 1940, with the exception of the export market, appear to be very good.

PRODUCTION

According to a recent report of the United States Lumber Survey Committee to the Department of Commerce, domestic lumber production in 1939 was estimated at 25,300,000,000 feet, a gain of 17 per cent over the 1938 production.

DOMESTIC STOCKS

Following a movement of declining lumber stocks which has been under way for about two years, national lumber stocks at the mills at the close of 1939 were about 800,000,000 feet below those of 1938, which were not considered excessive. Reports from some districts indicated that available stocks of lumber are broken and ill-assorted and that this tended to encourage erratic price changes.

Mill stocks of lumber on January 1, 1940, amounted to 7,665,000,000 feet, a decrease of 9.5 per cent from the stocks of 8,469,000,000 feet on January 1, 1939. Total softwood mill stocks were 5,858,000,000 feet, a decrease of 7.5 per cent from the previous year's stocks of 6,331,000,000 feet. Hardwood mill stocks at the close of 1939 amounted to 1,807,000,000 feet as compared with 2,138,000,000 at the close of 1938, a decline of 15.5 per cent. All the softwood and hardwood districts reported decreases in mill stocks in their territories.

PRICES

The United States Bureau of Labor Statistics reports that the lumber wholesale price index (1926=100) rose from 90.9 in December, 1938, to 97.8 in December, 1939. There was a steady increase in the lumber price index from June to November, 1939, when it reached 98.3, the highest since 1937.

The Southern Pine Lumber Exchange reported that the yearly average southern pine price was \$26.19 as against \$23.17 in 1938, while the high of \$31.15 for the year was reached in October. The average West Coast lumber price received on shipments in December was \$21.29 as compared with \$22.38 in November and \$18.82 in December, 1938. The current price trends of both Northern pine and Ponderosa pine have been steady.

According to the Southern Hardwood Producers the southern hardwood price index was \$29.12 in December, 1939, as compared with \$29.39 in November and \$27.02 in December, 1938.

LUMBER CONSUMPTION

United States lumber consumption, including exports, for 1939 estimated at 26,547,000,000 feet compares with 22,493,000,000 feet in 1938, a gain of 18 per cent, the principal consumers during the past year being the building and construction industry, box and crate industry, fabricating industry, and the railroads.

BUILDING SITUATION

As in the previous year the use of lumber in the building industry in 1939, especially in the construction of residential buildings, was the principal factor in supporting the lumber trade. It was only because of this heavy demand that total lumber consumption in the past year was able to rise above that of any year since 1929. According to the reports of the F. W. Dodge Corporation, floor space contracted for in residential building in the 37 eastern states was 38 per cent over 1938 and 41 per cent over 1937. Residential building during the last half of 1939 increased by 10 per cent over the first six months of the year and by 24.3 per cent over the second half of 1938. The Bureau of Labor Statistics reports of building permits in 2,000 cities in the United States in 1939 show a total construction value of \$2,071,628,000, a gain of 19.8 per cent over 1938.

EXPORTS

United States exports of lumber showed a small increase over those of 1938, when they dropped to less than a billion feet, the lowest in forty years. During the past year lumber exports increased steadily until the fourth quarter when, with the outbreak of war in Europe, exports to the United Kingdom and continental Europe showed a severe drop from the figures for the preceding quarters of the year. Total lumber exports for 1939 amounted to 1,050,093,000 feet as compared with 947,641,000 feet in 1938, a gain of 11 per cent. Exports of lumber and logs combined totalled 1,172,092,000 feet as against 1,060,300,000 feet in the previous year, an increase of 10 per cent.

Softwood lumber and sawn timber shipments for 1939 amounted to 801,157,000 feet, a gain of 17 per cent over the 1938 total of 686,404,000 feet, while hardwood lumber exports totalled 248,936,000 feet, or a decline of 5 per cent from the 1938 exports of 261,237,000 feet.

IMPORTS

Total imports of lumber and logs into the United States for 1939 amounted to 940,584,000 feet as compared with 714,643,000 feet in 1938, an increase of 32 per cent. Of this amount, imports of logs (hardwood and softwood) totalled 233,412,000 feet as against 185,549,000 feet in the previous year. Hardwood lumber imports totalled 101,631,000 feet as compared with 69,941,000 feet in 1938, an increase of 45 per cent.

SOFTWOODS

During the past year imports of softwood lumber amounted to 605,541,000 feet, a gain of 32 per cent over the 1938 imports of 459,154,000 feet.

Receipts of softwood lumber from Canada, the principal source of supply, amounted to 595,839,000 feet as compared with 448,371,000 feet in 1938, an increase of 32 per cent. Imports from Canada consisted of 163,353,000 feet of fir and hemlock, 103,598,000 feet of pine, and 285,729,000 feet of spruce. These amounts are comparable to the 1938 imports from Canada of 168,936,000 feet of fir and hemlock, 53,799,000 feet of pine, and 188,797,000 feet of spruce. While receipts of fir and hemlock were slightly under those of the previous year, imports of pine increased almost 100 per cent and those of spruce about 50 per cent.

As in the previous year, no imports from Russia were officially recorded during 1939. Imports of softwood from other countries, totalling 9,702,000 feet, were slightly below those of 1938, amounting to 10,783,000 feet.

FUTURE TREND

Under normal conditions about one-third of the United States lumber and timber products move to the United Kingdom. However, since the outbreak of the war Great Britain has practically ceased purchasing her requirements in this country and has diverted the bulk of her orders to Canada. Unless there is a renewal of purchases by the United Kingdom, prospects for exports in 1940, especially to Europe, do not appear to be favourable. Two other factors, scarcity of shipping and high freight rates, militate against an increase in lumber exports in 1940 as compared with 1939.

Sales of lumber to the furniture industry in 1939 were appreciably above those of 1938, and the industry expects a favourable year in 1940, based partly upon increased home building. The wooden-box industry showed a gain of about 10 per cent during the past year, and indications are that this gain will continue during the first quarter of 1940. Increases in lumber consumption are expected in the railroad industry, automobile industry, casket industry, and the oak and maple flooring industries. The continuation of the demand for lumber from the building and construction industry is the chief prospect for increased activity in the lumber trade.

CANADIAN TRADE OPPORTUNITIES IN THE BELGIAN CONGO

MAURICE BÉLANGER, ASSISTANT COMMERCIAL ATTACHÉ

Brussels, February 22, 1940.—In the opinion of local firms dealing with the Belgian Congo the blockade of German exports has completely eliminated German goods from that colony. This will no doubt create opportunities for Canadian goods, especially industrial products, and local indent and export houses state that the following should be saleable under present conditions: kitchen utensils and other enamelware; hurricane lanterns and other kerosene or petrol lamps; farm implements, especially hoes; galvanized pails (28 to 32 pounds); electric batteries; matches; canned milk; and canned fruit. The foregoing items are of immediate interest, but trade in other goods could probably be developed if suitable offers can be obtained from Canadian firms.

Official statistics for 1938 show imports into the Belgian Congo from Germany valued at over 48 million francs, but actual trade is no doubt considerably higher, as certain imports of German origin shipped from Antwerp are credited to Belgium in official statistics. Germany ranks fifth, after Belgium, Japan, the United States, and Great Britain, in the list of the Congo's chief suppliers.

Local firms also state that there is a possibility of replacing not only German goods but those of European origin generally, and that, in view of the risks and delays involved in shipping from European ports, they would in

many cases prefer to purchase goods of Canadian origin, provided these could be shipped direct to Matadi at a reasonable cost. There are no direct shipping lines from Canadian ports to the lower Congo, but shipments can be made via New York. If a reasonable volume of business could be developed at the present time, this might induce shipping lines at present operating between Canada and South African ports to call at Matadi.

DUTIES AND BUSINESS METHODS

There are no tariff preferences in the Congo, and all imported goods are subject to the same rates of duty, including goods of Belgian origin. The rates are relatively low, and for the majority of the products mentioned above and most industrial products they are under 20 per cent ad valorem.

The bulk of the import business of the Congo is controlled by Belgian firms with head offices at Brussels or Antwerp. Purchasing is done by the head office, but very often the goods are ordered at the request of the local managers in the Congo. For that reason it is usually preferable to make offers in duplicate and send two sets of samples, one to the Belgian office and one direct to the Congo. Canadian firms who desire to make offers should communicate with the office of the Canadian Commercial Attaché at Brussels.

A report on the Belgian Congo as a market, published in *Commercial Intelligence Journal* Nos. 1759 and 1760 (October 16 and 23, 1937), contains more complete information on leading import items.

IMPORTS INTO THE UNITED STATES OF PRODUCTS UNDER THE QUOTA PROVISIONS OF THE TRADE AGREEMENT

The following table, prepared by the Canadian Trade Commissioner's office at New York from preliminary figures issued by the Treasury Department at Washington, D.C., shows the standings of the quotas provided for under the Canada-United States Trade Agreement (signed November 17, 1938) up to March 2, 1940:—

	Total Quota	Reduction in Duty from the 1930 Tariff Act	Used by Canada to Mar. 2, 1940	
			Quantity	Per Cent
Cattle (700 lbs. or more)... ..Head	225,000	3 to 1½ cts. per lb.	51,720	22.9
Cattle (less than 200 lbs.) ..Head	100,000	2½ to 1½ cts. per lb.	15,477	15.4
Whole milkGals.	3,000,000	6½ to 3¼ cts. per gal.	1,229	....
CreamGals.	1,500,000	56½ to 28¾ cts. per gal.	142	....
Filletted fish, fresh or frozen—cod, haddock, hake, pollock, cusk, and rosefishLbs.	15,000,000	2½ to 1½ cts. per lb.	990,927	6.6
Seed potatoesBus.	1,500,000 beginning Sept. 15, 1939	75 to 37½ cts. (60 cts. Dec. 1-23) per 100 lbs.	852,465	56.8
White or Irish potatoes, other than seed potatoesBus.	1,000,000 beginning Sept. 15, 1939	75 to 60 cts. per 100 lbs. Dec. 1 to end of Feb.; 37½ cts. Mar. 1 to Nov. 30	223,620	22.3
Silver or black fox furs . . .Units	100,000 beginning Dec. 1, 1939	50 to 35 per cent ad val.	58,300	Quota filled

Total imports of cattle weighing 700 pounds or more, other than dairy cattle, during the period January 1 to March 2, 1940, amounted to 71,266 head. Of this number, 11,266 head imported from Canada entered under the full tariff rate of the 1930 Tariff Act. The number entering under the Trade Agreement rate was 51,720 head from Canada and 8,280 head from other countries, the quota allotment for the first quarter of 1940.

The quota allotment for Canada of imports of silver and black fox furs, totalling 58,300 units for the period of December 1, 1939, to November 30, 1940, was filled by March 2, 1940, and until December 1, 1940, imports of silver and black fox furs from Canada are prohibited. Preliminary data indicate that about 7,400 units of silver or black fox from countries other than Canada may be entered during the period April 1 to November 30, 1940.

TENDERS INVITED

New Zealand

Copies of specifications have been received from Mr. W. F. Bull, Canadian Trade Commissioner at Auckland, for equipment required by the Public Works Department, Wellington. These specifications are open for inspection at the Department of Trade and Commerce, Ottawa. Tenders should be addressed to the Secretary, Public Works Supplies and Tenders Committee, Government Buildings, Wellington, in accordance with these specifications.

Particulars are as follows:—

Public Works Department.—Section 8, Gore Substation, Invercargill District: 11 kv. switchgear (tenders close May 14, 1940); Section 7, Winton Substation, Invercargill District: 11 kv. switchgear (tenders close May 14, 1940).

TARIFF CHANGES AND TRADE REGULATIONS

United Kingdom

ALL FOODSTUFFS SUBJECTED TO IMPORT LICENSING

Mr. Frederic Hudd, Chief Canadian Trade Commissioner in the United Kingdom, in a cablegram of March 19, advises that a Board of Trade Order prohibits the importation into the United Kingdom except under licence of all foodstuffs, including feeding stuffs for animals but not including wines and spirits, fresh and cured fish, and live animals. The object of the Order is to enable the Ministry of Food to control import of foodstuffs generally.

The Order applies to all imported foodstuffs not already subject to licence which are despatched after March 20 and arrive in the United Kingdom after March 27. Open general licences will be issued permitting until further notice the importation, without separate licences, from all sources of the following articles of interest to Canada: cod liver oil, all cheese (except Cheddar cheese, Cheshire, Gouda and Edam types), vegetables in salt or in brine, dried vegetables, meat extracts and essences, malt extract, and yeast; also the following from British countries: fresh fruits, fruit juice and crystallized fruits, fruit peetin, jams and marmalade, fresh vegetables, chutney, honey, and biscuits.

Importers are warned that impending shipments of all foodstuffs not covered by these open general licences should be cancelled or postponed until licences obtained.

IMPORT LICENSING REGULATIONS

FRUITS IN AIRTIGHT CONTAINERS

Mr. Frederic Hudd, Chief Canadian Trade Commissioner in the United Kingdom, in cablegrams of March 15 and 16, advises that at the request of the Ministry of Food a Board of Trade Order adds to the list of goods the importation of which into the United Kingdom is prohibited except under licence, fruits preserved (with or without added sweetening matter) in air-

tight containers, excluding fruit pulp, jam and marmalade. The Order is effective March 19. Goods despatched from the factory before the effective date are admissible without licence. The Ministry of Food emphasizes that the purpose of the Order is to regulate trade in the best national interest.

MEAT

The Animal Products Trade Commissioner in London writes that at the request of the Ministry of Food the Board of Trade issued an Order—The Import of Goods (Prohibition) (No. 6) Order, 1940—adding the following commodities to the list of goods, the importation of which is prohibited except under licence:—

Sausages, except canned or otherwise preserved sausages.

Beef, veal, mutton, lamb and pork and edible offals of beef, veal, mutton, lamb and pork, including beef, veal, mutton, lamb, pork and edible offals preserved (with or without vegetables or cereals) in airtight containers.

It should be borne in mind that canned or otherwise preserved sausages were already included in the list of goods for which no licences are being issued.

The Ministry of Food emphasized that the purpose of the Order is to enable the Ministry to secure a proper control of the commodities, in order to regulate prices and to ensure the best use of the quantities of meat which can be imported. The Ministry have provided for centralized purchase of the commodities in question.

The Order came into force on February 10, 1940, but any goods covered by the Order which are proved to the satisfaction of the Customs authorities to have been despatched to the United Kingdom before the Order came into effect will not require a licence.

Importers are warned that no open general licence permitting the import without specific licences of meat from Ireland (Eire) or from Empire countries generally has been issued.

Australia

DELIVERY OF GOODS ON ORDER DECEMBER 1, 1939

Mr. L. M. Cosgrave, Canadian Trade Commissioner at Sydney, writes under date February 14 that the Australian Minister for Customs has granted a further concession with respect to federal import restrictions, because of the difficulties encountered in obtaining shipping space, for goods ordered prior to December 1, 1939. This was reported in *Commercial Intelligence Journal* No. 1882 (February 24, 1939), page 321, on receipt of cabled advice from Sydney.

The new concession provides that the latest permissible date for delivery into Australia of goods in categories A, B, and C which were ordered prior to December 1, 1939, is June 30, 1940. Previously delivery was required prior to April 30, 1940.

This concession does not apply to goods in D category.

TARIFF DECISIONS

Recent Australian customs decisions, as to the tariff classification and rates of duty on articles regarding which question had been raised, include the following:—

Driving belts of webbing covered with a light dressing of oil, 22½ per cent ad valorem under British preferential tariff, 47½ per cent ad valorem under general tariff, rates to increase as present Australian exchange depreciation may be lessened (Item 122A).

Chain and chains of wrought iron and steel, composed of welded links manufactured from metal $\frac{1}{2}$ -inch and over in diameter having shackles attached, 27 $\frac{1}{2}$ per cent ad valorem under British preferential tariff, 45 per cent ad valorem under general tariff; (duty under British preferential at present reduced one-quarter, or value-for-duty reduced one-eighth, whichever is less, to compensate for Australian exchange depreciation) (Item 194C).

Vibrator heads, including flexible shafting with housings and couplings, for use by hand in conjunction with portable concrete tamping machines, free of duty under British preferential tariff, 15 per cent ad valorem under general tariff (by-law under Item 174Y).

Water bore casings, 8 inches and over internal diameter, free of duty under British preferential tariff, 15 per cent ad valorem under general tariff (Item 415A2).

Conveyors (not including belting) of the type used for conveying ore, coal, sand, and the like, 7 $\frac{1}{2}$ per cent ad valorem under British preferential tariff, 33 $\frac{1}{2}$ per cent ad valorem under general tariff, rates to increase as present Australian exchange depreciation may be lessened (Item 170B2).

Portable air-conditioning units, incorporating evaporator, compressor and condenser, capable of performing the following functions, viz.: cooling, dehumidifying and filtering, 45 per cent ad valorem under British preferential tariff, 65 per cent ad valorem under general tariff; (duty under British preferential at present reduced one-quarter, or value-for-duty one-eighth, whichever is less, to compensate for Australian exchange depreciation) (Item 176F1).

Canadian goods under the above items, having the required content of Canadian and/or Australian material and labour, and shipped in accordance with Australian regulations, are entitled to British preferential tariff rates. Goods from all countries outside the British Empire are subject to general tariff rates.

MARKING OF PORCELAIN INSULATORS

With reference to the notices published in *Commercial Intelligence Journal* No. 1869 (November 25, 1939), page 997, and No. 1875 (January 6, 1940), page 35, as to the marking of porcelain insulators imported into Australia, Mr. W. L. Brennan, Australian Customs Representative in New York, sends information that the requirement as to the marking of country of origin is not being applied to insulators incorporated, at the time of importation, in electrical apparatus or appliances, nor to insulators imported as spares for replacement purposes in imported high-tension switchgear.

Norway

TARIFF INCREASES

Mr. Richard Grew, Canadian Trade Commissioner at Oslo, cables that, effective March 16, duties on all goods, with the exception of sugar, wine and spirits, imported into Norway are subject to an increase of 11.11 per cent.

Guadeloupe

DUTY ON FLOUR ABOLISHED

Mr. Hercule Barré, Commercial Attaché in Paris, writes that the French *Journal Officiel* of February 11, 1940, published a decree of the General Council of Guadeloupe stating that the customs duty on flour has been abolished, this product now being allowed to enter free of duty.

The restriction on the import of flour into Guadeloupe, which was established by a decree published December 5, 1938, and which requires permits for all imports of flour into Guadeloupe, is not affected by this decree.

Brazil**CONSULAR FEES**

Mr. A. M. Torres, Consul General for Brazil in Montreal, writes that effective January 1, 1940, a new scale of consular fees for legalization of invoices and bills of lading came into force. The new rates, which are calculated on the invoice value of the goods exclusive of freight and shipping expenses, are as follows:—

Consular invoices up to \$1,000 (U.S.).....	8 gold milreis
For each additional \$500 (U.S.) or fraction.....	2 gold milreis
Bill of lading	6 gold milreis
For the legalization of the commercial invoice attached to the first copy of each consular invoice set or for any other copy presented separately from any consular invoice set	4 gold milreis
Commercial invoices for parcel post shipments:	
Up to \$25	3 gold milreis
Above \$25	4 gold milreis
These fees will be collected at the rate of \$1.11 (Canadian currency) for each gold milreis.	

EXCHANGE CONDITIONS IN EMPIRE AND FOREIGN COUNTRIES**British Malaya**

K. F. NOBLE, ASSISTANT TRADE COMMISSIONER

Singapore, January 16, 1940.—The association of import and exchange controls in British Malaya under the Emergency Powers Ordinance was reviewed in *Commercial Intelligence Journal* No. 1871 (December 9, 1939), but additional legislation and executive interpretations make further comment advisable, particularly since exchange can no longer be remitted outside of the Empire sterling bloc for a wide range of products.

The allotment of exchange in connection with 236 groups of imports which have been prohibited in the Straits Settlements since November 17 and in the Federated Malay States since November 27 is no longer approved, although dispensation is being granted bona fide imports ordered before these dates.

The restricted items which may be imported from non-sterling countries were increased to 76 (and as from January 1 to 87). For these, "application to import" and authorization to obtain exchange in cover is subject to approval by the Controller of Restricted Imports after examination of the items in the light of (1) imports in previous years, (2) outstanding permits, and (3) customary size of orders by the purchaser. In operation this scheme of regulated imports is equivalent to an unofficial policy of quotas, but one which has operated to date without restriction in the interests of control. However, hardship may be worked on countries whose suppliers are in a position to increase quantities and on merchants and others in Malaya able to utilize such increases.

Banks now require production of approved authority to purchase when allotting exchange in connection with uncontrolled imports from non-sterling countries. Before exchange in settlement can be arranged, the Controller of Restricted Imports must approve the commodities as "unregulated."

All exchange contracts against the shipment of goods from non-sterling countries must be made in the currency of the country of origin or in sterling. Outstanding exchange contracts, including those in United States dollars in connection with shipments from Canada, are in abeyance; but importers believe that dispensation will be granted for the release of third country exchange against previously approved orders.

The Financial Secretary, in co-operation with the Singapore Chinese Chamber of Commerce, has relaxed the currency export regulations in the interests of the large Chinese barter trade with adjoining countries. For purposes of interpretation, such countries include British North Borneo and Sarawak, Netherlands India, Thailand (Siam), Philippine Islands, Indo-China, Hongkong, and the ports of China. Persons leaving Malaya are allowed foreign exchange equal to S\$500 as a maximum, but foreign currencies in larger quantities are necessary to the Malayan merchant to balance net debits in semi-barter transactions outside the country. Relaxation permits Chinese companies registered under the scheme, when guaranteed by their Chamber of Commerce, to move foreign currencies not exceeding S\$25,000 in value in and out of the country provided the products acquired can lawfully be imported, and an approved barter account book showing the cash balances is maintained. Firms of other nationalities with a community of interests and a registered association under the Companies Registration Ordinance will receive similar concessions.

Netherlands India

J. L. MUTTER, CANADIAN TRADE COMMISSIONER

Singapore, February 3, 1940.—There is still no form of exchange control in operation in Netherlands India.

BRITISH TRADE COMMISSIONERS IN CANADA

Canadian importers and others desirous of obtaining information regarding the export trade of the United Kingdom and Canadian firms desirous of representing British manufacturers in Canada are invited to communicate with the undermentioned:—

The Senior British Trade Commissioner in Canada and Newfoundland, 56 Sparks St., Ottawa. Telegraphic address: "Sencom."

The British Trade Commissioner (for Quebec, the Maritime Provinces and Newfoundland). 1111 Beaver Hall Hill, Montreal, Que. Telegraphic address: "Britcom."

The British Trade Commissioner (for Ontario), 901-905 Bank of Hamilton Building, Toronto, Ont. Telegraphic address: "Toroncom."

The British Trade Commissioner (for Alberta and British Columbia), 850 West Hastings Street, Vancouver, B.C. Telegraphic address: "Vancom."

The British Trade Commissioner (for Manitoba, Saskatchewan and Northwest Ontario), 703 Royal Bank Building, Winnipeg, Man. Telegraphic address: "Wincom."

TRADE OPPORTUNITIES ABROAD FOR CANADIAN PRODUCTS

The Trade Inquiries for Canadian products published below have been received since the publication of the last issue of the *Commercial Intelligence Journal*. Interested exporters may secure the names and addresses of the firms making these inquiries, together with further details regarding the commodities required, on application to the Director, Commercial Intelligence Branch, Department of Trade and Commerce, Ottawa, or—

Secretary, Board of Trade—

Saint John, N.B.
Halifax, N.S.
Quebec, P.Q.
Montreal, P.Q.
Toronto, Ont.
Chatham, Ont.

Guelph, Ont.
Kitchener, Ont.
Brantford, Ont.
Stratford, Ont.
Woodstock, Ont.
St. Mary's, Ont.

Portage la Prairie, Man.
St. Boniface, Man.
Winnipeg, Man.
Vancouver, B.C.
New Westminster, B.C.

Secretary, Chamber of Commerce—

Sherbrooke, P.Q.
Kingston, Ont.
Oshawa, Ont.
Belleville, Ont.

Peterborough, Ont.
London, Ont.
St. Catharines, Ont.
Hamilton, Ont.

Victoria, B.C.
Prince Rupert, B.C.

Windsor Chamber of Commerce, Windsor, Ont.

Commercial Intelligence Service, Department of Municipal Affairs, Trade and Commerce,
Quebec.

Department of Industry, Brantford, Ont.

Industrial Commissioner, Stratford, Ont.

La Chambre de Commerce de Montréal, 25 St. James E., Montreal, P.Q.

Secretary, Canadian Manufacturers Association—

Toronto, Ont.
Montreal, P.Q.

Winnipeg, Man.
Edmonton, Alta.

Vancouver, B.C.
Victoria, B.C.

Director, Bureau of Industrial and Trade Extension, Department of Trade and Industry,
Victoria, B.C.

Commodity	No.	Location of Inquirer	Purchase or Agency
Foodstuffs—			
Canned Soup.....	197	Haifa, Palestine.....	Agency.
Baking Powder.....	198	Haifa, Palestine.....	Agency.
Condensed Milk.....	199	Haifa, Palestine.....	Agency.
Cheese, all types.....	200	Havana, Cuba.....	Purchase.
Flour.....	201	Belize, British Honduras.....	Purchase.
Miscellaneous—			
Knitting Yarns.....	202	Hamilton, Bermuda.....	Purchase.
Imitation Pearl Buttons.....	203	London, England.....	Agency.
Buttons.....	204	Leicester, England.....	Purchase.
Shoemakers' Thread.....	205	Oporto, Portugal.....	Agency.
Leather (Box Calf, Chamois, Chevraux).....	206	Oporto, Portugal.....	Agency.
Leather, Upper and Lining for Shoes.....	207	London, England.....	Purchase or Agency.
Foil, Aluminium.....	208	Lisbon, Portugal.....	Agency.
Insulating Papers and Tape.....	209	Lisbon, Portugal.....	Agency.
Iron Beds.....	210	Kingston, Jamaica.....	Purchase and Agency.
Electrical Equipment and Appar- atus.....	211	Lisbon, Portugal.....	Agency.
Electric Motors.....	212	Lisbon, Portugal.....	Agency.
Runners and Tops for Fishing Rods.....	213	Melbourne, Australia.....	Purchase and Agency.
Dry Drugs and Chemicals.....	214	Melbourne, Australia.....	Purchase and Agency.
Talc.....	215	Oporto, Portugal.....	Agency.
T.N.T.....	216	Lisbon, Portugal.....	Agency.
Lead.....	217	Lisbon, Portugal.....	Agency.
Black Oxide of Iron, also Red, Yellow and Brown.....	218	Hawthorn, Australia.....	Purchase.
Cast Iron (Socket) Pipes for Rain- water, Baths, Lavatories, etc..	219	Oslo, Norway.....	Agency.
Iron and Steel Products.....	220	Tel-Aviv, Palestine.....	Agency.
Fabricated Steel for Grilles, Gates, etc.....	221	Melbourne, Australia.....	Manufacture on Roy- alty Basis.
Steel Cycle Tubing.....	222	Melbourne, Australia.....	Purchase and Agency.
Flex Wire.....	223	Melbourne, Australia.....	Purchase and Agency.
Impregnated Safety Matches.....	224	Auckland, New Zealand.....	Purchase.
White Sawn Wood.....	225	Baghdad, Iraq.....	Purchase.
Telegraph Poles.....	226	Buenos Aires, Argentina.....	Purchase.

FOREIGN EXCHANGE QUOTATIONS: WEEK ENDING MAR. 18, 1940

The Foreign Exchange Division of the Bank of Canada has furnished the following statement of the nominal closing quotations for all the principal exchanges for the week ending Monday, March 18, 1940, and for the week ending Monday, March 11, 1940, with the official bank rate:—

Country	Unit	Present or Former Gold Parity	Nominal Quotations in Montreal Week ending March 11	Nominal Quotations in Montreal Week ending March 18	Official Bank Rate
Belgium	Belga	.1001	\$.1886	\$.1887	2
Bulgaria	Lev	.0072	.....	.....	—
Denmark	Krone	.2680	.2144	.2143	5½
Finland	Markka	.0252	.0151	.0163	4
France	Franc	.0392	.0243	.0235	2
Great Britain	Pound	4.8666			
	Buying		4.4300	4.4300	2
	Selling		4.4700	4.4700	—
Greece	Drachma	.0130	.0079	.0079	6
Holland	Guilder	.4020	.5893	.5893	3
Hungary	Pengo	.1749	.3227	.3227	4
	Unofficial		.1953	.1952	—
Italy	Lira	.0526	.0560	.0560	4½
Yugoslavia	Dinar	.0176	.0250	.0249	5
Norway	Krone	.2680	.2521	.2521	4½
Portugal	Escudo	.0442	.0399	.0383	4-4½
Roumania	Leu	.0060	.....	.....	3½
Spain	Peseta	.1930	.1104	.1078	5
Sweden	Krona	.2680	.2644	.2644	3
Switzerland	Franc	.1930	.2489	.2489	1½
United States	Dollar	1.0000			
	Buying		1.1000	1.1000	1
	Selling		1.1100	1.1100	—
Mexico	Peso	.4985	.1848	.1849	3
Cuba	Peso	1.0000	.....	.....	—
Guadeloupe	Franc	.0392	.0243	.0235	—
Jamaica	Pound	4.8666	4.4800	4.4800	—
Martinique	Franc	.0392	.0243	.0235	—
Other British West Indies	Dollar	1.0138	.9313	.9313	—
Argentina	Peso (Paper)	.4245	.3304	.3304	3½
	Free		.2603	.2603	—
Brazil	Milreis (Paper)	.1196	.0673	.0673	—
	Free		.0555	.0558	—
British Guiana	Dollar	1.0138	.9313	.9313	—
Chile	Peso	.1217	.0573	.0573	3-4½
	Export		.0444	.0444	—
Colombia	Peso	.9733	.6347	.6343	4
Peru	Sol	.2800	.....	.....	6
Venezuela	Bolivar	.1930	.....	.....	—
Uruguay	Peso	1.0342	.....	.....	—
	Controlled		.7307	.7307	—
	Uncontrolled		.4274	.4330	—
South Africa	Pound	4.8666	4.4600	4.4600	3½
Egypt	Pound (100 Piastres)	4.9431	4.5800	4.5800	—
China (Shanghai)	Dollar	.....	.0735	.0710	—
Hongkong	Dollar	.....	.2650	.2571	—
India	Rupee	.3650	.3227	.3359	3
Japan	Yen	.4985	.2602	.2602	3.29
Java	Guilder	.4020	.....	.....	—
Thailand (Siam)	Baht (Tical)	.4424	.3935	.3807	—
Straits Settlements	Dollar	.5678	.5218	.5231	—
Australia	Pound	4.8666	3.5800	3.5800	3
New Zealand	Pound	4.8666	3.5900	3.5900	4

The Dominion Bureau of Statistics has supplied the following note:—

There was no change in official buying and selling rates set by the Canadian Foreign Exchange Control Board for sterling and United States funds during the week ended March 18. These remained at \$4.43-\$4.47 and \$1.10-\$1.11, respectively. At New York a sharp drop in sterling free rates, following the announcement of new British exchange restrictions, moved quotations down to a seven-year low of \$3.6995 on March 15. The closing rate for the week at \$3.749 showed a net decline of 11.90 cents. During the same interval Canadian funds dropped ¾ cent to 81½ cents. Montreal rates for the French franc moved with sterling, closing 7 points lower at 2.36 cents. Among neutral European units rates were steady, belgas finishing 1 point higher at 18.87 cents, while florins were unchanged at 58.93 cents. Among Scandinavian currencies quotations for the Finnish markka showed improvement, being quoted at 1.63 cent as the week closed as against 1.51 cent a week earlier.

COMMERCIAL INTELLIGENCE SERVICE

L. D. WILGRESS, *Director*

Argentina

J. A. STRONG, B. Mitre 430, Buenos Aires (1). (Territory includes Uruguay.) *Cable address, Canadian.*

Australia

Sydney: L. M. COSGRAVE. Address for letters—P.O. Box No. 3952V. Office—City Mutual Life Building, Hunter and Bligh Streets. (Territory includes the Australian Capital Territory, New South Wales, Queensland, Northern Territory and Dependencies.) *Cable address, Canadian.*

Melbourne: FREDERICK PALMER, 83 William Street, Melbourne, C.1. (Territory includes States of Victoria, South Australia, Western Australia, and Tasmania.) *Cable address, Canadian.*

Belgium and Luxemburg

YVES LAMONTAGNE, Commercial Attaché, Shell Building, 60 rue Ravenstein, Brussels. *Cable address, Canadian.*

Brazil

L. S. GLASS. Address for letters—Caixa Postal 2164, Rio de Janeiro. Office—Ed. Da. "A. Noite," Sala 802, Praça Maua. *Cable address, Canadian.*

British India

PAUL SYKES. Address for letters—P.O. Box 886, Bombay. Office—Gresham Assurance House, Mint Road, Bombay. (Territory includes Burma and Ceylon.) *Cable address, Canadian.*

British Malaya

J. L. MUTTER, Union Building, Singapore, Straits Settlements. (Territory includes the Straits Settlements, the Federated Malay States, the Unfederated Malay States, Thailand, British Borneo, and Netherlands India.) *Cable address, Canadian.*

British West Indies

Trinidad: M. B. PALMER. Address for letters—P.O. Box 125, Port of Spain. Office—Barclay's Bank Building. (Territory includes Barbados, Windward and Leeward Islands, and British Guiana.) *Cable address, Canadian.*

Jamaica: F. W. FRASER, P.O. Box 225, Kingston. Office—Canadian Bank of Commerce Chambers. (Territory includes the Bahamas and British Honduras.) *Cable address, Canadian.*

China

V. E. DUCLOS. Address for letters—P.O. Box 264, Shanghai. Office—Ewo Building, 27 The Bund, Shanghai. (Territory includes Central China and North China.) *Cable address, Canadian.*

Cuba

C. S. BISSETT. Address for letters—Apartado 1945, Havana. Office—Royal Bank of Canada Building, Calle Aguiar 367, Havana. (Territory includes Haiti, the Dominican Republic, and Puerto Rico.) *Cable address, Canadian.*

Egypt

HENRI TURCOT. Address for letters—P.O. Box 1770, Cairo. Office—22 Shari Kasr el Nil, Cairo. (Territory includes the Sudan, Palestine, Cyprus, Iraq, Syria, Iran, Greece, Turkey, Bulgaria, and Roumania.) *Cable address, Canadian.*

France

HERCULE BARRÉ, Commercial Attaché, 3 rue Scribe, Paris (9). (Territory includes French Colonies in North Africa.) *Cable address, Cancomac.*

Hongkong

P. V. McLANE. Address for letters—P.O. Box 80, Hongkong. Office—Hongkong and Shanghai Bank Building, Hongkong. (Territory includes South China, the Philippines, and Indo-China.) *Cable address, Canadian.*

Ireland

JAMES CORMACK, 66 Upper O'Connell Street, Dublin, Ireland (*cable address, Canadian*); and 36 Victoria Square, Belfast, Northern Ireland.

Italy

A. B. MUDDIMAN, Via Manzoni Nr. 5, Milan (102). (Territory includes Spain, Portugal, Gibraltar, Malta, Albania, and Yugoslavia.) *Cable address, Canadian.*

CANADIAN GOVERNMENT TRADE COMMISSIONERS—*Con.*

Japan

C. M. CROFT, Commercial Secretary. Address for letters—P.O. Box 18, Akasaka Post Office, Tokyo. Office—Canadian Legation, 16 Omotecho, 3-chome, Akasakaku, Tokyo. *Cable address, Canadian.*

Mexico

R. T. YOUNG. Address for letters—Apartado Num. 126-Bis, Mexico City. Office—Edificio Banco de Londres y Mexico, Num. 30, Mexico City. (Territory includes Guatemala, Honduras, and Salvador.) *Cable address, Canadian.*

Netherlands

J. A. LANGLEY, Commercial Attaché, Coolsingel 111b, Rotterdam. (Territory includes Switzerland.) *Cable address, Canadian.*

New Zealand

W. F. BULL. Address for letters—P.O. Box 33, Auckland. Office—Yorkshire House, Shortland Street, Auckland. (Territory includes Fiji and Western Samoa.) *Cable address, Canadian.*

Norway

RICHARD GREW, Stortingsgaten 28, Oslo. (Territory includes Sweden, Denmark, and Finland.) *Cable address, Canadian.*

Panama

H. W. BRIGHTON. Address for letters—P.O. Box 222, Panama City. Office—98 Central Avenue, Panama City. (Territory includes the Canal Zone, Venezuela, Colombia, Nicaragua, and Costa Rica.) *Cable address, Canadian.*

Peru

M. J. VECHSLER. Address for letters—Casilla 1212, Lima. Office—Edificio Boza, Carabaya 831, Plaza San Martin, Lima. (Territory includes Bolivia, Ecuador, and Chile.) *Cable address, Canadian.*

South Africa

Cape Town: J. C. MACGILLIVRAY. Address for letters—P.O. Box 683. Office—New South African Mutual Buildings, 17 Parliament Street. (Territory includes Cape Province and Southwest Africa, Natal, Tanganyika, Kenya, Uganda, Mauritius, and Madagascar.) *Cable address, Cantracom.*

Johannesburg: J. H. ENGLISH. Address for letters—P.O. Box 715. Office—Prudential Assurance Building, 92 Fox Street. (Territory includes Transvaal, Orange Free State, the Rhodesias, Portuguese East Africa, Mozambique, and Nyasaland.) *Cable address, Cantracom.*

United Kingdom

London: FREDERIC HUDD, Chief Trade Commissioner in the United Kingdom, Canada House, Trafalgar Square, S.W.1. *Cable address, Sleighing, London.*

London: G. R. HEASMAN, Trade Commissioner, Canada House, Trafalgar Square, S.W.1. (Territory includes Home Counties, Southeastern Counties, and East Anglia; also British West Africa.) *Cable address, Sleighing, London.*

London: W. B. GORNALL, Fruit Trade Commissioner, Aldine House, Bedford Street, Strand, W.C.2. *Cable address, Canfrucum.* (Territory—for fresh fruit only—includes United Kingdom, Norway, Denmark, Sweden, France, Holland, and Belgium).

London: G. R. PATERSON, ANIMAL PRODUCTS TRADE COMMISSIONER, Canada House, Trafalgar Square, S.W.1. *Cable address, Agrilson.*

Liverpool: A. E. BRYAN, Martins Bank Building, Water Street. (Territory includes North of England, Lincolnshire, North Midlands, and North Wales.) *Cable address, Canadian.*

Bristol: E. L. MCCOLL, Northcliffe House, Colston Avenue. (Territory includes West of England, South Wales, and South Midlands.) *Cable address, Canadian.*

Glasgow: G. B. JOHNSON, 200 St. Vincent Street. (Territory covers Scotland.) *Cable address, Cantracom.*

United States

New York City: D. S. COLE, British Empire Building, Rockefeller Center. (Territory includes Bermuda.) *Cable address, Cantracom.*

Chicago: W. J. RIDDIFORD, Tribune Tower, 435 North Michigan Avenue. *Cable address, Canadian.*

Los Angeles: B. C. BUTLER, Associated Realty Building, 510 West Sixth Street. *Cable address, Canadian.*

Note.—Bentley's Second Phrase Code is used by Canadian Trade Commissioners.

COMMERCIAL
INTELLIGENCE
JOURNAL

Vol. LXII

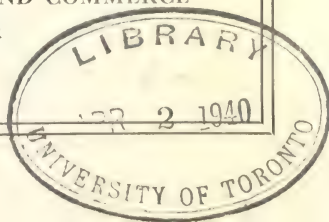
Ottawa, March 30, 1940

No. 1887



Better-class Dwelling in Cape Town, South Africa, Roofed with Canadian
Cedar Shingles

ISSUED BY AUTHORITY OF
THE HON. W. D. EULER, MINISTER OF TRADE AND COMMERCE
JAMES G. PARMELEE, DEPUTY MINISTER



CONTENTS

	Page
United Kingdom Shipping under War Conditions.....	463
Control of Non-ferrous Metals (Copper, Lead and Zinc) in the United Kingdom	465
United Kingdom Iron and Steel Control: Scrap Iron and Steel	470
Australian Canned Fruits, 1939 Season.....	471
Economic Conditions in Belgium in 1939—I.....	474
Japan's Imports from Germany	481
Trade of Netherlands India in 1938.....	489
Control of Exports from Canada.....	497
Tariff Changes and Trade Regulations.....	497
Exchange Conditions in Empire and Foreign Countries:	
Hongkong	498
Sweden	498
Foreign Exchange Quotations	499
Trade Inquiries for Canadian Products.....	500
Commercial Intelligence Service	501

1083

COMMERCIAL INTELLIGENCE JOURNAL

Issued Every Saturday by the Department of Trade and Commerce

PUBLISHED in English and French. Subscription Price for either edition: \$1 per annum in Canada (single copies 5 cents each); \$3.50 outside the Dominion (single copies 10 cents each). Remittances, which may be made by Post Office or Express Orders, or Drafts, or Cheques, payable at par in Ottawa, should be addressed to the King's Printer, Government Printing Bureau, Ottawa.

Vol. LXII **Ottawa, March 30, 1940** **No. 1887**

UNITED KINGDOM SHIPPING UNDER WAR CONDITIONS

FREDERIC HUDD, CHIEF CANADIAN TRADE COMMISSIONER
IN THE UNITED KINGDOM

London, March 2, 1940.—The Annual Report of the Chamber of Shipping of the United Kingdom for 1939, which has just been published, throws an interesting light upon the shipping problems at present concerning Canadian export trade.

The shipping industry of the United Kingdom has been called upon to play an increasingly active part in the national war effort. Full co-operation from the outset was established with the responsible government departments, and this has culminated in the requisitioning of British tonnage by the Government.

FREIGHTS

The report states that the decline in tramp freights, which set in in September, 1937, continued throughout 1938 and the first eight months of 1939. Taking the average for 1929, the standard year in the British Shipping (Assistance) Acts under which subsidy was paid for the years 1935 and 1936, tramp freights have compared as follows:—

New Chamber of Shipping Weighted Index

1929	100.0
1935	74.9
1936	84.3
1937	131.5
1938	95.0
1938 (first 8 months)	95.7
1939 (first 8 months)	91.3

Tramp markets continued to suffer from the restriction of world trade, only partially relieved by the carriage of stocks of grain and other material imported by the Government as part of the national defence program.

The report mentions that on the outbreak of war the Government requested the industry to limit the increase in freights produced by the sudden increase in demand for tonnage to a level which would no more than compensate shipowners for the increase in running costs. At the same time a licensing system was established for all voyages, and shortly afterwards freights in the principal tramp markets were fixed by the Government. Having regard for the need for avoiding any profiteering, these rates were fixed at a level much below the open market rates available to neutral shipowners and soon proved insufficient to cover the rapidly increasing costs of operation. In response to representations from the industry, the Government increased the controlled rates as from November 1 by about 30 per cent and increased the allowance already granted for delays in convoy from 3d. to 4d. per gross registered ton. The Government adopted the system of directing shipowners on voyages according

to the day-to-day requirements of the Supply Departments, and in the case of tramps this system is only gradually superseded by requisition.

Liner owners also responded to the Government's request to keep liner rates correlated with controlled tramp rates on the basis of covering only the increase in running costs.

COSTS

As regards the running costs of tramp steamers, the Chamber state that the heavy increase which was stimulated by the Government's rearmament program continued in 1939. In April, when the Government's proposals for assistance to British shipping were under consideration, it was established that the daily running costs of deep-sea tramp vessels were about 25 per cent above the level of 1935.

The first effect of the war has been to produce a rapid and violent rise in all running costs. An inquiry by the industry in connection with rates of hire for requisitioned vessels has established the following average figures of daily running costs per day for a deep-sea tramp steamer of about 9,000 d.w. tons: April, 1939, £35; September, 1939, £48; January, 1940, £51 10s. For motor ships running costs are about £3 per day more.

With regard to deep-sea liners, the average running cost per day in January, 1940, shows an increase of about 25 per cent as compared with pre-war cost.

In both cases full account has not been taken in the above figures of a further increase of 25 per cent in the cost of marine insurance, which will be incurred as policies fall due for renewal. Nor has account been taken of a further increase in wages and war risk bonus for officers and crews, which in the case of deep-sea tramps is equivalent to an addition of £2 10s. per day to the running costs and will come into operation on March 1.

The rise in building costs, which was one of the marked consequences of rearmament before the war, has been further accentuated. A vessel which would have cost £100,000 in 1938 cost £120,000 immediately before the war and would cost £160,000 to-day.

SHIPBUILDING

The report points out that the grave position of British shipbuilding at the end of 1938 was largely due to the depression in shipping and the relatively high cost of building new tonnage. It was principally with the object of restoring the shipbuilding industry that the Government included shipbuilding grants and loans in its proposals for the assistance of shipping. As a result some 150 tramp vessels and 25 cargo liners were laid down during the first six months of 1939. This acted as a powerful stimulant and enabled the shipbuilding industry to turn the corner. With the outbreak of war national necessity has absorbed every ounce of Britain's shipbuilding capacity. The Government have placed orders for large numbers of merchant vessels, in addition to a greatly expanded program of naval construction. As a result there is to-day not a yard idle in the country.

FOREIGN COMPETITION

According to the report, while the war has temporarily put the Government in control of all British ships, the foreign competition which made government assistance necessary is being greatly strengthened under war conditions and will be far more formidable after the war than before.

The favourable rates of freight and charter conditions which the Government have perforce to grant neutral owners are already enabling such owners to build up substantial reserves of competitive power to be used against British shipping so soon as normal trade is resumed. In addition, the withdrawal of British shipping for war service from the trade routes which it serves in peace

exposes those trades to easy capture by foreign shipping and imposes upon British shipowners the uphill task of recapturing them after the war at a time when their financial resources will be depleted.

In the view of the Chamber the first step towards maintaining British shipping must be the strengthening of the financial position of the industry during the war, in order that it may replace its tonnage on a basis of cost which will enable it to compete with foreign shipping after the war.

REQUISITIONING

Discussing the requisitioning arrangements now in force, the Chamber of Shipping states that satisfactory conditions of chartering have been negotiated with the Ministry of Shipping for all vessels, whether as cargo carriers (liners and tramps), troop and hospital ships, or armed merchant cruisers, and it adds that, while these contracts have naturally been the subject of give and take, the industry is satisfied that they represent a fair bargain. With regard to the actual rates of hire for deep-sea liners and tramps, it is reported that substantial progress has been made towards agreement between owners and the Ministry of Shipping, and the hope is expressed that these will provide for operating costs and depreciation and leave a margin to cover a fair return on capital.

Shipowners are now urging the Government to include in the rates and conditions of hire adequate provision for replacement other than a partial provision for vessels lost by war casualty. In their opinion it is unwise to leave the whole of the increased cost of replacement to the future, and they would prefer to be put in a position to provide reserves towards meeting this cost themselves rather than to have to rely wholly upon Government assistance after the war for the replacement of their vessels.

CONTROL OF NON-FERROUS METALS (COPPER, LEAD AND ZINC) IN THE UNITED KINGDOM

E. L. McCOLL, CANADIAN TRADE COMMISSIONER

Bristol, February 20, 1940.—The Control of Non-Ferrous Metals (No. 5) Order issued by the Minister of Supply, which came into force on December 18, 1939, repealed in effect the previous four Non-Ferrous Metals Orders and consolidated in this one document all the past regulations, together with amendments, which remained active. Direction No. 1, which accompanied this new Order, detailed a scale of premiums for certain shapes and sizes of copper, and, in the case of copper cathodes, a discount. A new regulation, amplifying the sections of (No. 5) Order which cover licences, came into force on January 1, 1940. A second Direction to (No. 5) Order, to operate as from February 19, was issued a few days ago. It increases the maximum prices for controlled metals where deliveries are in lots of less than four tons. The working of the Non-Ferrous Metals Control, and the situation as affected by the first four orders, were described in *Commercial Intelligence Journal* No. 1872: December 16, 1939. The salient features of (No. 5) Order are briefly described in the following pages.

GENERAL PROVISIONS

Re-melted zinc, brass, gun-metal scrap and swarf, have been added to the list of materials, the purchase of which is subject to licence; but scrap metal acquired by merchants, etc., solely for cleaning, crushing or sorting is exempt. However, the consumer, such as the owner of a foundry, who

wishes to purchase scrap metal requires to secure a licence to do so. Licensing now applies to undelivered portions of purchases of metal made under written contracts entered into before September 1, 1939, even if the price was fixed before that date. The exemption from licensing of consumers whose total consumption of metal, including scrap, ores, etc., does not exceed one ton per month replaces the previous provision that quantities below one ton were exempt if required for urgent repairs. Metal handled by carriers or warehousemen in the ordinary course of their business is exempt.

The maximum prices of unwrought and scrap metals have been fixed on the basis of "delivered buyer's premises" and "ex works," respectively.

Quotations other than those specified in the Schedule to the Order under review, due to differences as to place or mode of delivery, may not be made without the previous written consent of the Minister. Authority must first be obtained for trading on other terms than those described above.

NEW MAXIMUM PRICES

While maximum prices have been fixed for additional categories of copper scrap, some grades are not mentioned. However, no copper scrap of any grade or description should be sold at a higher price than the maximum fixed for bright untinned copper wire. The maximum prices do not apply in cases when scrap is returned on contra account. Where no provision is made to fix extra charges for special qualities, delivery in small lots, etc., the practice of the trade before the war will apply. If there was no established practice, a reasonable charge must be agreed upon between the seller and the buyer.

CLASSIFICATION OF GRADES OF COPPER

Until further notice the copper sold by the Control will be the grades specified in Section I of the Schedule and at the maximum prices laid down therein. The Schedule contains four grades of fire-refined copper, which form a rather unfamiliar classification. The Copper Development Association in a commentary on the subject states that "it shows evidence of a praiseworthy attempt to place the grading of copper on a more logical and scientific basis than heretofore." The minimum purities for the lower two grades are given, which is considered a sufficient specification. The second of these two grades will mainly contain copper of so-called "foundry" quality. As trading in copper on the London Metal Exchange has been suspended, the designations "Standard" and "Best Selected" have not been employed.

"High-grade, fire-refined copper" is equivalent to such qualities as B.C.R., Braden (Three Star), C.F.R., E.R.M., and M.T.D. The grade "fire-refined copper sold as high conductivity, or high conductivity fire-refined copper" includes such qualities as B.C.R. and E.R.M., which are sold in wirebars or in other shapes where high conductivity is specified by the buyer.

CHANGES FROM PREVIOUS PRICE LIST

Referring to the price list given on page 1122 of *Commercial Intelligence Journal* No. 1872 (December 16, 1939), the following re-classification, which is recorded in the Schedule, should be noted:—

Rough copper is deleted, as it is now bought and refined by the Government. Refined copper is sub-divided into classifications 2 to 5 inclusive. Electrolytic copper becomes No. 1, and copper wire rods becomes No. 6, black hot-rolled copper wire rods. The definitions for copper, lead and zinc given at the beginning of the same report are amended in article 8 of the new Order.

Notwithstanding that the Control of Non-Ferrous Metals (No. 5) Order revokes the previous four orders, any licence granted under article 2 of the

Control of Non-Ferrous Metals (No. 3) Order, 1939, shall remain valid. The purchase of copper, lead and zinc, as defined below, is subject to licence from the Control; but licences are not required by consumers whose total consumption is less than one ton per month, nor by scrap dealers who do no processing other than sorting, cleaning and breaking.

In this Order the following expressions have the meanings hereby assigned to them respectively:—

“Copper” means any copper ore or copper concentrate, rough or blister copper, unwrought copper (whether virgin secondary or remelted) in the form of cathodes, wirebars, ingots, ingot bars, billets, cakes or any other form, black hot-rolled copper wire rods, scrap or swarf of copper brass or gun-metal, cupriferous slags or residues (excluding pyrites ash);

“Lead” means any virgin pig lead, antimonial lead, secondary or remelted lead, lead ores or lead concentrates, lead residues, lead scrap or scrap battery plates;

“Zinc” means any zinc or zinc concentrates, spelter, G.O.B. spelter, refined zinc, electrolytic zinc, secondary or remelted zinc, zinc scrap, hard spelter, zinc ashes, zinc dross, or flux skimmings.

SCHEDULE OF PRICES

The maximum prices specified for any material comprised in Classes 1, 2 and 3, in the Schedule which follows, are for deliveries in lots of four tons or more, and in Classes 5, 6 and 7, in lots of two tons or more. This maximum price is the basic maximum price for the material as described.

Material	Maximum Price Per long ton of 2,240 pounds
Class 1: Copper—	
1. High conductivity electrolytic copper	£62 delivered buyer's premises
2. Fire-refined copper sold or intended to be sold as high conductivity copper	£62 delivered buyer's premises
3. High grade fire-refined copper	£61 10s. delivered buyer's premises
4. Fire-refined copper of ordinary quality containing not less than 99.7 per cent of copper	£61 delivered buyer's premises
5. Fire-refined copper containing not less than 99.2 per cent of copper	£60 10s. delivered buyer's premises
6. Black hot-rolled copper wire rods (not less than quarter inch or more than $\frac{5}{16}$ inch in diameter)	£65 10s. delivered buyer's premises
Class 2: Lead—	
1. Good soft pig lead (foreign)	£25 (duty paid) delivered buyer's premises
2. Good soft pig lead (Empire and domestic, including secondary or remelted lead)	£25 delivered buyer's premises
3. Lead of the quality known as “English”	£26 10s. delivered buyer's premises
Class 3: Zinc—	
1. G.O.B. spelter (foreign)	£25 15s. (duty paid) delivered buyer's premises
2. G.O.B. spelter (domestic, including secondary or remelted zinc)	£26 10s. delivered buyer's premises
3. “Prime Western” and debased spelter	£26 10s. delivered buyer's premises
4. Refined and electrolytic zinc	£27 5s. delivered buyer's premises
5. Zinc of not less than 99.99 per cent purity	£28 15s. delivered buyer's premises
6. Hard spelter and zinc dross	£18 ex works
7. Flux skimmings	1s. 6d. per unit, f.o.r.
Class 4: Zinc products—	
1. Zinc sheets (No. 10 zinc gauge and thicker)	£39 2s. 6d. ex works (delivered in lots of 5 tons or more)
2. Rolled zinc (boiler plates)	£37 2s. 6d. ex works
3. Zinc oxide (red seal)	£28 7s. 6d. delivered buyer's premises (in lots of not less than 2 tons)
4. Zinc oxide (green seal)	£29 17s. 6d. delivered buyer's premises (in lots of not less than 2 tons)
5. Zinc oxide (white seal)	£30 17s. 6d. delivered buyer's premises (in lots of not less than 2 tons)
Class 5: Copper Scrap—	
1. Bright untinned copper wire (in crucible form or in hanks)	£57 10s. ex works
2. No. 1 copper wire	£57 ex works
3. No. 2 copper wire	£55 10s. ex works
4. Copper firebox plates, cut up	£57 10s. ex works
5. Clean untinned copper, cut up	£56 10s. ex works
6. Brazery copper	£53 10s. ex works

Material	Maximum Price Per long ton of 2,240 pounds
Class 6: Brass Scrap and Swarf—	
1. Q.F. process and shell-case scrap, (70/30 quality and free from primers)	£49 ex works
2. Clean fired .303 S.A. cartridge cases	£47 ex works
3. 70/30 turnings (clean and baled)	£43 ex works
4. Brass swarf (clean, free from iron and commercially dry)	£34 10s. ex works
5. New brass rod ends of 60/40 quality	£38 10s. ex works
6. Hot stampings and fuse metal scrap of 60/40 quality	£38 10s. ex works
Class 7: Gunmetal Scrap and Swarf—	
1. Admiralty gunmetal scrap of the quality commonly known as "88-10-2" (containing not more than $\frac{1}{2}$ per cent of lead or 3 per cent of zinc or less than $9\frac{1}{2}$ per cent of tin)	£72 ex works

Direction No. 1, following this Schedule, gives an additional schedule showing the amounts by which the maximum price specified in the Order shall be increased or reduced for any copper complying with certain particulars. (Persons interested may obtain particulars by writing the Department of Trade and Commerce, Ottawa, quoting file No. 32280.)

ADDITIONAL REGULATION

An additional regulation issued by the Controller, amplifying those sections of No. 5 Order which dealt with licences, came into force on January 1, 1940. It provided for the supply of further particulars in support of applications for licences to purchase copper, spelter and lead. Licences for each of these raw materials from that date were to be separated into three categories, according to the ultimate use of the metal. These categories were: service orders, home civil orders, and export orders.

This new regulation made it necessary for applicants for licences to give the fullest particulars of the use and purpose to which each metal was to be put. For example, in the case of home civil orders, particulars must be given not only of the article for which the product is to be used, but also to which of the nineteen categories mentioned in the new regulation the product belongs.

DIRECTION NO. 2 TO (NO. 5) ORDER, 1939

The Minister of Supply has made a Direction No. 2 under the Control of Non-Ferrous Metals (No. 5) Order, 1939, which came into force on February 19, 1940, increasing the maximum prices per long ton for copper, lead and zinc by the following amounts where deliveries of metal are called for in lots of less than four tons:—

	Copper £ s. d.	Lead £ s. d.	Spelter £ s. d.
For lots over 2 tons and under 4 tons . . .	2 0 0	1 0 0	1 0 0
For lots over 1 ton and including 2 tons..	3 0 0	1 10 0	1 10 0
For lots of 1 ton and under	4 0 0	2 0 0	2 0 0

GENERAL SITUATION

The Non-Ferrous Metal Control has been responsible for the purchase of the whole of the expected requirements of His Majesty's Government in copper, lead and zinc. So far these expected requirements have been entirely met from Empire sources.

Perhaps the most marked contrast between 1939 and 1914 is to be found in copper. The immense strides in the copper mining industry which have been made in Canada and in Rhodesia have made the Empire, even in time of war, independent of any foreign source of copper.

The Non-Ferrous Metal Control is also engaged in shipment, refining (of blister copper), sales, delivery and invoicing of all these metals to the fabricating industries in the United Kingdom.

In order to see that the cheap supplies of metal are used to the best purpose in the national interest every purchaser of metal has to have a licence from the Control, and the problem of following down to its ultimate use every ton of metal is a complicated task. It has to be accomplished if the war effort of the country is to be truly efficient.

COPPER

During the first six months of 1939 the term "weakness" might have been applied to the copper market. The price fell from £44 per long ton in January to £41 by the end of June. At the end of August it had gradually strengthened to £45, and shot upwards during the first week of September. On September 7 the price of copper was stabilized by the Control, electrolytic being fixed at £51 c.i.f. United Kingdom ports. On December 18 the peg was raised for this class of copper to £62 delivered consumer's works, which is the basis of the new Schedule. Prices of other grades of copper were increased in proportion. There is no official maximum price for rough copper, which appears to be somewhere in the neighbourhood of £54 to £55 a ton.

The controlled price of copper is considerably below the world market price, as is evident from the fact that the present export price of copper in the United States is around 11½ cents per pound, f.a.s. To this figure, which is approximately equivalent to £64 per ton, would have to be added ocean freight to the United Kingdom and inland delivery charges. The highest and lowest settlement prices per ton for the two previous years were: 1937, £78 and £36 5s.; 1938, £48 7s. 6d. and £32 10s. The year's average of daily settlement prices for 1937 and 1938 were £54 7s. 6d. and £40 15s. 4d., respectively.

When the Control was first established trade opinion was divided as to the advisability of maintaining the price at so much below the world market level. Those in favour of this policy maintained that the high figures which at first ruled would tend to drop. Such has proved to be the case, for the American copper market has recently been drifting downwards. At the same time, the rises in price introduced with the present Order have gone far towards removing the disparity. There does not appear to be a scarcity of any of the various grades of copper in the country, which speaks well for the way in which early transportation difficulties have been solved. Members of the trade who watch overseas markets state that buying by neutrals has been much quieter, although Italy, Japan and Switzerland have recently been in the market.

LEAD

The price of lead kept almost to a steady level for the first seven months of 1939, hovering between £14 and £15 per ton. During August it appreciated slightly, approaching £17. On September 1 it was stabilized by the Control at £17 c.i.f. English ports for Empire lead. On September 7 this price was amended to £17 ex ship London. Other qualities were based on these prices. On December 18 the controlled price was advanced to £25 delivered buyer's premises, at which figure it has remained pegged. The highest and lowest settlement prices per ton for the previous two years were: 1937, £36 7s. 6d. and £15 10s.; 1938, £17 12s. 6d. and £13 5s. The year's average of daily settlement prices for 1937 and 1938 were £23 4s. 8d. and £15 5s. 3d., respectively.

As building for private account has come, comparatively speaking, almost to a standstill, there arises a surplus in this direction sufficient to meet the heavy demand for this metal from consumers engaged upon war work. Supplies

are therefore ample. A certain amount of export business is proceeding, mostly in the form of lead products. As international trade is confronted with so many obstacles it is difficult to estimate what the world price of lead is. Where it can be bought in the open market it stands more or less at the British level.

ZINC

As in the case of lead, the price of zinc remained steady at around £14 per ton during the first eight months of 1939. As the crisis became more acute it rose to £15 ex ship, at which figure it was pegged by the Control. On December 18 the maximum price of G.O.B. spelter (foreign) delivered buyer's premises was raised by the Control to £25 15s. duty paid.

There is no lack of metal for ordinary trade requirements, although great care is exercised with regard to distribution. It is reported, however, that some firms find difficulty in maintaining a regular flow of high-grade metal, but this experience applies equally to pre-war days. World spelter prices, which seem to vary rather widely in neutral countries, have declined and now are not much above the British official quotation.

SCRAP

Normally, a fair quantity of non-ferrous scrap is imported into the United Kingdom from abroad. On the other hand, during the early part of 1939 a good deal was exported. In view of the present emergency an embargo was placed on this outward flow.

Fixed maximum prices prevent merchants dealing in virgin metals, as they are not able to buy under the controlled figure and they may not sell above it. Moreover, purchasers of metals require a licence. Some merchants, however, continue to operate this section of their business without any recompense for overhead in order to maintain trade connections. Others act as agents for consumers.

Copies of (No. 5) Order, Directions Nos. 1 and 2, and the regulation which became effective on January 1, 1940, may be obtained on application to the Canadian Government Trade Commissioner, Bristol, England.

UNITED KINGDOM IRON AND STEEL CONTROL: SCRAP IRON AND STEEL

S. V. ALLEN, ASSISTANT TRADE COMMISSIONER

London, March 5, 1940.—Iron and Steel (No. 7) Scrap Order, 1940 (No. 287), issued by the Ministry of Supply under date February 29, which came into effect to-day, supersedes the Control of Iron and Steel (No. 5) (Scrap) Order of 1939 (which was summarized in *Commercial Intelligence Journal* No. 1886: March 23, 1940, page 432).

Under the new Order, adjustments to meet changing conditions of trade have led to increased maximum prices for the main items of iron and steel scrap of between 5s. and 10s. per ton, with larger increases in a few cases. In substance the scope of the new Control Order is unchanged, except for certain additions to the specifications of the material covered by the maximum price provisions. The Direction (No. 1) issued with the Order repeats the provision of the corresponding Direction under the previous Order, and exempts the sale and purchase of scrap from the requirement of licence, except for specified items of scrap, hitherto also subject to licence.

AUSTRALIAN CANNED FRUITS, 1939 SEASON

FREDERICK PALMER, CANADIAN TRADE COMMISSIONER

[One Australian pound (£A.) equals \$3.60 Canadian]

Melbourne, February 13, 1940.—The chief factor affecting the Australian canned fruits industry during 1939 was the drought conditions in the principal fruit-growing areas, the influence of which was both favourable and unfavourable. The favourable aspect was the greatly increased domestic demand for canned fruits consequent upon the shortage of fresh fruits, which reduced the substantial carry-over, chiefly of peaches and pears, from the 1938 season. The unfavourable aspect was the shortage of fruit for processing by the canners as a result of thinning out the orchards in order that the remaining fruit might develop to the requisite size for canning purposes. The early fruits, apricots and pears, were in short supply, but late varieties of peaches recovered remarkably following beneficial rains in late February, and the increase in both the size and yield of fruit was most beneficial to the industry. The yield of peaches resulted in a record pack for the 1939 season of 1,852,796 cases as compared with 1,790,742 cases for the 1938 season. (A case contains 2 dozen 30-ounce tins or their equivalent.)

Despite the excellent clearance of canned fruits processed during 1939, both in Australia and in markets abroad, the Chairman of the Australian Canned Fruits Board, in his Thirteenth Annual Report, stressed the danger of extending orchard plantings beyond a point where the yields exceeded the capacity of canners to handle them on a sound economic basis. The present orchard plantings in Australia will not come into full bearing for another four years, but already the total production of canned apricots, peaches, and pears has increased from 1,123,674 cases in 1926 to 2,708,195 cases in 1939. Similar figures for the 1938 season were 3,030,928 cases, the drought being accountable for the reduction in the 1939 production.

PRODUCTION AND EXPORTS

Following are details of the quantity of apricots, peaches and pears processed in Australia during the past two seasons, together with exports for the same periods:—

Fruit processed—	1938 Cases	1939 Cases
Apricots	380,082	282,422
Peaches (export pack)	1,425,218	1,556,288
Pears	860,104	572,977
Totals	2,665,404	2,411,687
Stocks carried over from previous year	68,007	377,137
Exportable surplus	2,733,411	2,788,824
Total exports for season	1,695,001	1,760,930
Domestic pack (peaches)	1,038,410	1,027,894
	365,524	296,508
Domestic consumption	1,403,934	1,324,402
	1,046,797	1,200,000*
Carry-over	377,137	

* Estimated.

The increased domestic demand for canned apricots, peaches and pears during 1939, previously mentioned, would indicate a substantially lesser carry-over of stocks into the 1940 season than was the case at the beginning of the 1939 season.

Clearances of Australian canned fruits on overseas markets during 1938 were in greater aggregate volume than in any preceding year. The quantity of fruit sold and shipped from Australia during 1939 represented an advance of 65,929 cases on the 1938 season's shipments. Sales to the principal export markets for the past two seasons were as follows:—

	1938 Cases	1939 Cases
United Kingdom—		
Apricots	177,202	153,412
Peaches	820,344	1,056,060
Pears	507,738	381,666
Totals	1,505,284	1,591,138
Canada—		
Apricots	9,358	8,820
Peaches	33,482	41,548
Pears	3,048	3,425
Totals	45,888	53,793
New Zealand—		
Apricots	32,357	20,505
Peaches	86,165	56,590
Pears	3,720	3,146
Totals	122,242	80,241

PRICES

The Fruit Industry Sugar Concession Committee (consisting of representatives of the Commonwealth Government, the Queensland Sugar Board, the growers of jam fruits, the growers of canning fruits, the proprietary manufacturers of fruit products, and the co-operative and state manufacturers of fruit products) determine the minimum prices which manufacturers of fruit products are required to pay for fresh fruits, the prices per ton for canning purposes fixed for the last two seasons being as follows:—

	1938 £ s.	1939 £ s.
Apricots	12 0	12 0
Peaches (Clingstone)—		
Clear centres	11 0	9 10
Others	10 0	8 10
Peaches (Freestone)	7 0	7 0
Pears	10 0	10 0
Pears (Keiffer)	8 0	8 0

Despite the fact that there would be a shortage in the 1939 apricot pack, the decision to make no alteration for 1939 in the prices of canned apricots was the result of substantial unsold stocks of canned apricots in the United States and a consequent tendency towards a weakening in Californian quotations on the United Kingdom market.

In comparison with the opening rates for 1938, the prices fixed for canned peaches at the beginning of the 1939 season showed a decline of 7½d. per dozen 30-ounce cans and 5d. per dozen 16-ounce cans. When compared with the prices in force at the close of the 1938 season, however, they show an increase of a 1½d. per dozen 30-ounce cans, but no change in the rates for 16-ounce cans. These prices were determined by reason of the prospects of a light Australian pack, despite the presence of heavy stocks of low-priced Californian fruits on the United Kingdom market.

The prospects of a firm market for canned pears for several months in the United Kingdom influenced the fixing of a price 3d. per dozen 30-ounce cans in advance of the rates at the close of the 1938 season.

CANNED PINEAPPLES

An extensive summer crop helped to achieve a new level of production of canned pineapples in Australia for the 1939 season, viz., 382,290 cases. Minimum prices for the United Kingdom market set by the Australian Canned Fruits Board were 4s. 3d. and 6s. 6d. per dozen 16-ounce and 30-ounce cans, respectively, c.i.f. main United Kingdom ports. This was a reduction of 3d. per dozen on the 30-ounce tins and 1½d. per dozen on 16-ounce tins, necessitated by competition on the British market from foreign sources, especially Formosa.

Following are details of the quantity of pineapples processed in Australia, and exports to various destinations during the past six years:—

	Production	Total Exports	U.K.	Exports to Canada	N.Z.
1934	192,160	106,350	59,974	45,291	715
1935	195,008	59,761	39,540	18,948	861
1936	257,142	23,928	8,837	12,383	2,338
1937	189,516	32,391	20,059	9,890	1,926
1938	358,594	74,785	42,448	36,001	2,001
1939	382,290	98,883	59,603	37,458	673

CANNED FRUIT SALAD

In addition to the foregoing varieties of canned fruits, fruit salad, a combination of these, is also processed. The marketing of this product is still in the experimental stages, and the exports during the 1939 season showed a slight increase, being 9,518 cases as compared with 9,013 for the 1938 season. Canada was the principal market for this commodity, shipments being 6,559 cases as against 7,073 cases in 1938. A total of 2,295 cases was shipped to Eastern points during 1939 as against 1,506 cases in the preceding year. Exports to the United Kingdom were 554 cases as compared with 255 for the 1938 season.

The value of the export side of the Australian canned fruits industry is indicated by the fact that approximately 60 per cent of the total output of canned fruits is shipped overseas. New orchard areas devoted to fruits for canning purposes will come into full bearing within the next four years, when the exportable surplus of canned fruits will represent about 75 per cent of production.

The United Kingdom market is of great importance to the Australian industry, since it purchases 90 per cent of the canned fruit exported, and is expected to absorb the anticipated increase in production. Since the competition in that market is keen, any factors tending to increase the cost of production in Australia would be detrimental to the industry. Increasing freight rates following upon the outbreak of war caused substantial advances in the c.i.f. United Kingdom port prices. Since higher rates applied to all commodities imported into the United Kingdom, this factor should not affect sales of Australian canned fruits in that market to any extent.

On the other hand, the proposal to produce tinplate in Australia, under the usual protective tariff, is not favourably received by the Australian canned fruit interests, since it is felt that the price at which tinplate produced in Australia could be made available would greatly exceed the present proportion of 20 per cent of the cost of placing canned fruits f.o.b. at port of loading.

The official announcement that the British Government will purchase Australia's surplus canned fruits in the 1940 season, at prices and under conditions to be arranged, assures a reasonable return not only to Australian canners but to the growers of the fresh fruits.

ECONOMIC CONDITIONS IN BELGIUM IN 1939

YVES LAMONTAGNE, CANADIAN COMMERCIAL ATTACHÉ

I

Brussels, February 21, 1940.—The year 1939 was a very trying and eventful one for Belgium. The opening months were marked by an internal political crisis which depressed securities and business and caused a flight of capital. After the general elections on April 2 there was a marked return of confidence, which persisted in May and June despite a steadily mounting budget deficit, due to diminishing tax receipts. An endeavour was made in July to increase collections by raising the incidence of taxation generally, thus accentuating the vicious spiral of taxes, prices and wages. In August the international political horizon darkened, and the declaration of war on Germany by Great Britain and France at the beginning of September added considerably to Belgium's difficulties, placing her in an awkward position where she had to adapt herself to a hybrid economy which was neither one of peace nor war.

During the closing months of the year, the situation was dominated by the problems brought about by Belgium's position as a neutral, situated as this country is in the very midst of the warring nations. These include, on the one hand, mobilization and the organization and financing of national defence; on the other the pressing need for intensifying local production, coupled with the necessity of assuring adequate supplies of imported foodstuffs and raw materials and the maintenance of exports in the face of rising costs, increased risks of transport and obstacles of all kinds to trade.

In recent years Belgium has had to cope with certain problems which were becoming more and more acute. However, the forces now at work, while making for greater national unity, should, if the war lasts a few years and invasion by Germany is averted, bring about changes in the social and economic structure of the country which in the long run will be distinctly beneficial.

INDUSTRY

Up to the end of August last, economic activity in Belgium was maintained on the whole at about the same level as in the last quarter of 1938. There was an improvement in the basic industries, particularly metallurgy, while other industries were depressed. After the outbreak of hostilities the iron and steel output showed further gains, while in a few branches, such as textiles, production was stepped up in order to meet increased local military requirements. Building activity was reduced throughout the year, and conditions remained unsatisfactory in certain other branches of production.

Social charges and wages have been rising, while national revenue has declined. At the beginning of 1939 production in Belgium was about one-third below the 1929 level, whereas, compared with 1933, social charges were 24 per cent greater and wages 16 per cent higher. In the coal industry especially, social charges were considerable, and the closing of a number of mines in certain districts, owing to financial losses, is attributed largely to this factor.

Wages in Belgium are in most industries automatically adjusted to movements in the retail price index, and considerable concern has been expressed over the increase in the cost of production due to higher wages. As the burden of taxation has also risen, there is a tendency to, and danger from, inflation. So long as wages are based on the cost of living instead of on decreased labour costs, industrial incentive will be discouraged and unemployment will endure. In this country, however, workmen do not see eye to eye with the manufacturers on this subject, although it is generally agreed that in the past Belgium's success in export markets has been due chiefly to the longer working hours and lower wages which prevailed as compared with other countries.

Mobilization, which began at the end of August, 1939, has seriously affected Belgian industry. There are some 500,000 or 600,000 men under arms at the present time and, with so many wage-earners withdrawn from the industries and the fields, the tempo of production has been slowed down. Shortly after mobilization, it was found necessary to release a considerable number of men from the army in order that production in the coal mines and other branches of industry could be stepped up. The Government's primary concern, however, is the organization of the country's defences, and all other problems have been subordinated to this end.

Immediately following the opening of hostilities a number of industries experienced difficulties in obtaining raw materials from abroad, as transportation was temporarily disorganized. Gradually, however, the situation as regards transport and supply improved, and manufacturers adjusted themselves to the changed conditions. Belgium's prosperity depends largely on exports, and some of the new factors to be contended with are the closing of certain export fields, high freight and insurance rates, war risks, contraband control, the suppression of credit and the fall in foreign currencies.

COAL MINING

The problem of meeting the country's coal requirements occasioned growing concern during 1939. Sales of coal, which averaged 2,492,300 metric tons per month during the first eight months of 1939, jumped to 2,674,000 tons during the last four months. This compares with an average output of 2,488,500 tons for January-August and 2,449,000 tons for September-December, 1938, and the difference had to be filled from stocks, which at the end of the year totalled 1,320,330 tons as against 2,222,270 tons a year before. The total output of coal in 1939 amounted to 29,846,890 tons as compared with 29,575,400 tons for 1938.

During the second quarter of 1939 the demand for coal increased as a result of the improvement in the Belgian iron and steel industry and in the export markets, necessitating recourse to stocks which had been accumulating. One of the factors influencing the market was the weakening of foreign competition. Whereas in Germany the output of coal had increased during the first half of the year, the exports had decreased, and this movement was accentuated during July and August when Belgium began to experience difficulties in meeting its domestic requirements. Following the outbreak of hostilities in September, Belgium discovered that one of the most urgent problems to be solved was that of stepping up the local production of coal, which constitutes one of the most important natural resources of the country and is the corner-stone of Belgium's industrial structure. It was found necessary to allow some 10,000 miners (about 8 per cent of the total number) who had been mobilized to return to the mines. At the end of the year Germany stopped its exports of coal to Belgium altogether, and there was such a scarcity that after protracted discussions between the Government and the miners the 45-hour week was abandoned, and there was a return to the 48-hour week for the duration of mobilization.

The raising of the useful working time of the miners in the pits from 7·5 to 8 hours per day was accompanied by a wage increase of 1·5 per cent, and it is estimated that the output of coal will be increased by about 100,000 metric tons per month. As the total wages paid to the coal miners amount to approximately 2 billion francs, the wage increase represents about 30 million francs (\$1,115,000).

Another problem for which a practical solution must shortly be found is the reduction of social charges. About the middle of 1937 the Belgian coal industry began to produce at a loss; out of 72 mines, representing about

two-thirds of the Belgian output, only 23 were able to show a profit. In the other industries the workmen contribute 1.33 per cent for pension charges and the manufacturers another 1.33 per cent, making 2.66 per cent; this compares with 11 per cent in the coal industry. The difference, 8.34 per cent, represents 160 million francs (\$6,000,000), and it is possible that the Government may decide to raise this amount by means of taxes on the sale and production of coal in order to relieve the financial burden which the coal-mining companies have to bear. An arrangement of this kind will permit of the re-opening of a number of mines in the "Flenu" district, which had been closed because operations were unprofitable; this will provide an additional output of about 800,000 tons per annum.

In November the price of Belgian coal was raised by 12 per cent as a result of increased wages and the higher cost of raw materials, including mining timber. Whereas in 1935 British coal was about 30 per cent dearer than Belgian, prices are now approximately equal. The depreciation in the pound sterling as compared with the belga has also contributed to bringing about this situation. It may be noted that the price of coal has a marked incidence on the cost of production of other goods, particularly metallurgical products and building materials. In Belgium the incidence is estimated to be 30 per cent for the iron and steel industry, and reaches 35 to 40 per cent in the zinc industry, while for the paper and pottery industries the incidence is 11 per cent, and in glass manufacture 9 per cent.

METALLURGY

During the first half of 1939, production in the iron and steel industry increased gradually. During the month of September there was a sharp fall in the output due to the disorganization brought about by the opening of hostilities in Europe, through mobilization, and the difficulty in obtaining supplies of iron ore from France. Following an agreement under which French ores were exchanged for Belgian coal, production in October rose again, and by the end of the year the output reached the high level of 1929. Production for the twelve months was about 37 per cent greater than in 1938, the figures for raw steel being respectively 3,036,160 and 2,212,540 metric tons. The increased output is due to the augmented armaments requirements, both in Belgium and abroad, combined with the fact that competition on foreign markets, chiefly from Germany and the United Kingdom, has been practically eliminated.

Since the outbreak of war Belgian iron and steel prices, both for the home and export markets, have risen substantially. In October last the increase for the local market was about 15 per cent, while export prices were approximately 25 per cent above the former figure. Increased wages and the higher cost of raw materials have been the contributing factors, and Belgian prices are now higher than those of Great Britain and France, although still below American.

Since the war began the non-ferrous metal industry has experienced difficulty in obtaining ores from abroad, both because of the restrictions in force in the producing countries and because of the situation as regards ocean transportation. During the first nine months of 1939 Belgian lead production was on much the same scale as in 1938, and the total output for last year was approximately 80,000 metric tons. Similarly up to August last zinc production was maintained at former levels, and for the year the output was about 185,700 metric tons. Demand during recent months has been chiefly for electrolytic zinc, whereas the market for ordinary zinc is restricted.

TEXTILES

Conditions in the Belgian textile industry during 1939 were on the whole unsatisfactory. In the first half of the year the volume of transactions was

very limited, with buyers withholding orders because of the uncertain international outlook. In many plants there was only part-time employment owing to the lack of orders, and production was restricted to about 50 per cent of total capacity. In certain lines, such as cotton and jute, prices were unremunerative.

Business improved in June, especially for export, but as international tension increased the betterment was of short duration.

Following the opening of hostilities there was a renewal in activity. The fear of important price rises, the augmented requirements for national defence, the lack of stocks in the hands of wholesalers and retailers, and speculative purchases from abroad brought about a firmer tendency. Present activity consists largely of the manufacture of army supplies.

As the Belgian textile industry depends on foreign sources for the greater part of its raw materials, cotton, wool and jute in particular, the problem of supply is especially acute owing to the situation arising from the hostilities in Europe. As a result of the complete lack of supplies of flax from Eastern Europe, the consuming countries concentrated their purchases on the Belgian market, and the price of the raw material was raised to such a high level that Belgian spinners were compelled to stop buying. The dearth of the raw commodity is keenly felt, and production in the spinning and weaving mills has decreased.

GLASS

During the first eight months of 1939, production and demand were slightly higher than in the same period of 1938, but since September access to the export markets has been more difficult. Costs of production have increased, and selling prices have had to be raised. Conditions have been worse in the tableware branch than in window and plate glass.

COMMODITY PRICES AND WAGES

Wholesale prices, which had fallen in 1937 and 1938, continued to decrease until August, 1939, when the index stood at 594. Since the opening of hostilities, however, the trend has been upward, the index jumping to 706 on September 15. It rose to 735 in October, 762 in November and 793 on December 15. In January, 1940, the index had increased to 839, so that the rise in five months has been 40 per cent. The Belgian wholesale price index is calculated on the price of about 125 commodities, most of which are imported, and the products which have chiefly risen are flax and jute, prices of which have doubled, petroleum and derivatives, fats, resins and tobacco. The trend of prices on the international markets has been upward, owing, among other influences, to the rise in ocean freight rates and insurance.

Whereas the trend in wholesale prices was distinctly downward in 1937 and 1938, the retail price index had remained almost stationary. Although the trend in wholesale prices was reversed in September and rose sharply, retail prices were only moderately affected, and since then there has been less disparity between the two indices. The retail price index on August 15 was 103·3 (basis 1936 to 1938=100). The fluctuation since the war has been as follows: September, 103·9; October, 110·1; November, 112·4; December, 113·9; and January, 115·4, so that the rise in five months is under 12 per cent as compared with 40 per cent for the wholesale price index. Whereas the latter is governed to a large extent by the price of imported raw materials, the commodities on which the retail price index is calculated are mostly domestic, about 50 per cent being foodstuffs and the remainder manufactures.

The Belgian wholesale price index is practically a barometer of world prices, whereas the retail price index, because of its composition and the influence it exerts on wages, reflects to a greater extent the trend of cost of industrial

production in Belgium, for in this country wages in many industries are automatically adjusted to the fluctuation in the retail price index. Under the latest system, wages are raised on the basis of an advance of at least 5 per cent in the mathematical mean of the index for the three months which follow the last modification in wages based upon the index number. The last index was that of November (112·4) and, if the average of the December, January and February indices rises 5 per cent, i.e. if the February (1940) index reaches 124·8, wages should then be increased. As the total wages paid in Belgium amount to approximately one billion Canadian dollars, a rise at the end of a quarter represents an additional 50 million dollars in costs of production. In consequence of the 5 per cent increase granted to the miners in November last, and owing to the higher cost of raw materials for the coal industry, the price of coal in Belgium was increased by 12 per cent, and industries consuming coal have been forced to raise their prices accordingly.

Concern is expressed over the policy of linking wages with commodity prices. Owing to the fall in the pound sterling since the second half of 1938, the margin of security which Belgium's price system enjoyed in 1937 has been gradually wiped out, and at the beginning of the hostilities prices and wages in Belgium were established on a relatively high level as compared to other countries in Europe. As Belgium's economic structure is based upon the possibility of exporting fully and semi-manufactured products, the problem is serious, and if costs of production were to be raised to such a point as to make it difficult for Belgium to meet foreign competition on the export markets, devaluation of the belga might have to be resorted to.

During the present period of armed neutrality, the Government's policy aims at preventing too great a rise in prices generally (and more particularly as regards certain products), to combat speculation by appropriate measures, and to control stocks. In this connection the Government has not exerted its right to fix minimum prices, but retailers must not sell at prices which are considered to be above normal and only within a margin which is fixed weekly by a commission of specialists.

RAILWAYS

Conditions during the past year were, on the whole, only slightly more favourable for the National State Railways than in 1938. Immediately following the outbreak of hostilities in September last the goods traffic was greatly reduced. It soon picked up, however, and the improvement continued until the end of the year as a result of increased activity in the basic and a few other industries.

During the first eleven months of 1939, traffic receipts totalled 2,396 million francs, an increase of 58 million francs over the corresponding period in 1938, while expenditure, including financial charges, amounted to 2,460 million francs, a decrease of 67 million francs. This left a loss of 64 million francs on operations up to November, 1939, as against a loss of 193 million francs for the corresponding eleven months in 1938.

SHIPPING

During 1939 the number of sea-going vessels which entered the port of Antwerp numbered 9,524, totalling 19,387,970 Moorsom tons, as compared with 11,762 ships and 24,144,705 tons in 1938. This is a decrease of about one-fifth and is due, of course, to the outbreak of the war, since when no vessels flying the German flag have visited Antwerp. What this means may be realized when it is recalled that in 1938 the German ships accounted for 18 per cent of the total number entering that port and 25 per cent of the total tonnage. The number of British and French ships calling at Antwerp has been reduced, and Belgium at present has to rely to a greater extent on vessels of Dutch

and Scandinavian nationality. The disappearance of German shipping results in a serious decrease in the transit trade through Antwerp. The total volume of goods in transit outward bound from Antwerp in 1938 was 5,546,620 metric tons, of which Germany contributed 60 per cent; Germany's share of the inward transit in 1938 was 42 per cent out of a total of 3,874,129 metric tons of merchandise.

During the first three months of the war ocean-borne traffic at Antwerp decreased by 32·4 per cent as regards the number of ships and 30·4 per cent with respect to tonnage as compared with the same period in 1938. In the month of December, 1939, only 340 ships totalling 640,997 tons entered Antwerp as against 1,007 vessels totalling 2,096,886 tons in 1938.

Belgium is dependent to a very material extent on foreign sources for its requirements in foodstuffs and raw materials. Furthermore, Belgium's merchant fleet is relatively small, and only about 12 per cent of the total tonnage of merchandise imported via Antwerp is carried in Belgian bottoms. In 1938 out of a total of 31·6 million tons of merchandise imported into Belgium 11 million tons entered through the seaports, and out of a total of 22 million tons of goods exported 8 million tons were shipped by sea.

Belgium's merchant fleet at the beginning of 1939 totalled 94 ships totalling 365,000 tons gross. Since then six ships (totalling 20,000 tons) have been taken off the register, and in the course of the first three months of the war five vessels totalling 15,000 tons were destroyed. The Belgian fleet can transport about 2,100,000 metric tons of merchandise per annum, whereas the minimum and maximum requirements are from 3,500,000 to 8,000,000 tons.

As a result of the situation brought about by the war, a campaign has developed in certain quarters and in the press aiming at increasing the Belgian merchant marine and at obtaining greater government assistance for shipping and the shipbuilding industry. It is pointed out that, in view of international difficulties, Belgium must have as much tonnage as possible in order to ensure that its requirements be met and that internal economic activity be maintained at as high a level as possible.

The Government has considered the problem and envisaged three ways of meeting the situation: construction, purchase, or chartering of foreign-owned ships. It appears to favour the first method, as it would provide employment. The difficulty and delay in meeting the problem arises from the fact that shipbuilding costs have greatly increased, as also have the costs of purchasing and chartering vessels. Apart from this the time required to build a ship, 12 to 15 months, is an additional factor, and the capacity of Belgium's shipbuilding yards is limited.

At the beginning of the hostilities, Belgium's transport capacity was adversely affected as a result of detention of ships at the contraband control bases reducing the number of voyages which a vessel could make during a year and increasing the necessity for more tonnage. The introduction of the navicert system has provided a remedy, as ships need not be held up under this method.

In order to provide for the replacement of Belgian ships which might be destroyed by mines and torpedoes, a mutual insurance organization was created against war risks, known as the "Amarig." All ships under the Belgian flag, including fishing vessels, are compulsorily insured under the policies of this organization; these cover war risks which are not included in ordinary policies.

FOREIGN TRADE

Belgium's foreign trade during 1939 was remarkably well maintained despite the hostilities. Total exports were valued at 21,670 million francs as compared with 21,725 million francs in 1938, and this excellent showing is due

mainly to the export of war materials, mainly iron and steel. Total imports were valued at 19,685 million francs as against 23,175 million francs in 1938. Part of the decline in imports is explained by lower wheat prices and reduced imports of maize. There was a reduction in imports from Germany, due largely to the stoppage of German coal and coke exports at the end of the year. The fall in imports can, however, be attributed principally to the difficulties affecting ocean shipping, which was greatly disorganized during the first month of the hostilities.

The following table shows the distribution of Belgium's foreign trade with principal countries during 1938 and 1939:—

Country	1938		1939	
	Imports from	Exports to	Imports from	Exports to
	Millions of Francs			
France	3,325	3,360	3,074	2,858
Germany	2,599	2,654	2,334	1,995
United States	2,559	1,442	1,862	1,875
Holland	2,079	2,664	1,863	3,422
United Kingdom	1,836	2,972	1,610	3,016
Belgian Congo	1,933	411	1,622	366
Argentina	944	1,766	1,226	769
Switzerland	277	588	259	900
Sweden	459	576	293	857
Norway	190	279	167	392
Canada	311	188	327	204
Other countries	6,663	4,825	5,048	5,016
Total	23,175	21,725	19,685	21,670

As the above table shows, the reduction in Belgium's exports to Germany, which is substantial, is more than compensated for by increased exports to Holland, and as against the fall in exports to France there are increases in exports to Switzerland and Scandinavia. In the case of Scandinavia, however, the increase was recorded before the opening of hostilities, and Belgian exports to Sweden, Norway, and Denmark during the first three months that followed the declaration of war on Germany by the allies were half the value of exports during the corresponding period in 1938. It will be noted that Holland became the principal purchaser of Belgium's products in 1939.

During the month of September last the value of Belgium's total imports dropped to 50 per cent of the August figures and exports fell by 23 per cent as a result of the paralysing effect of the war on transportation generally. In December, however, exports had risen to the level of the July and August values, while imports were 50 per cent above the low September figures. Values have, of course, been influenced upwards since August by the material increase in the cost of transportation and the general rise in the price of raw materials.

BELGIUM'S COMMERCIAL POLICY AS A NEUTRAL

Since the outbreak of war Belgium's policy as regards foreign trade has been based upon certain obligations on her part as a neutral not to favour any of the belligerents. It is also governed by the fact that Great Britain and France desire to cut down supplies reaching Germany through Belgium, while Germany controls trade in the Baltic from and with Scandinavia and Russia. Furthermore, Belgium must defend its frontiers, conserve its resources as far as possible, and take steps to ensure that it will not lack the foodstuffs and raw materials which are required to feed its population and operate its industries. As a result of these considerations, Belgium has laid down the following broad principles as regards its commerce:

(1) The export and re-export of the principal products required for national defence or for the security of the population is prohibited. Among the products included in this category are: cereals; meats; fats; bleached cotton; vegetable

and mineral oils, raw; talc and mica, raw; ores of non-ferrous metals; common soap; mining timber; ferro-alloys; nickel, except anodes.

(2) The export of certain products to the three neighbouring belligerent countries is authorized only within the limits of normal pre-war trade. This category includes among other commodities: cheese, honey, fish oils and fats, skins of small animals, sausage casings, cereal by-products, dried vegetables, abrasives, raw asbestos, varnished hides and skins, rubber goods except tires, wood-pulp, sawn lumber, nickel anodes.

(3) The re-export of certain products of particular importance to the carrying-on of the war and which are either produced or controlled by the belligerents, especially wool, cotton, rubber, and non-ferrous metals, is prohibited in the state in which they are imported; their export will, however, be allowed when further manufactured in Belgium and, as regards the belligerent countries, within the limits of normal trade. Negotiations have been instituted with respect to these products with Great Britain and France to allow of their being delivered to Belgium, and with Germany to secure the release of certain shipments from the Baltic Sea such as lumber, wood-pulp and iron ore.

(4) Transit via Belgium remains free, but a transit licence is required for certain products.

(5) Trade with neutral countries remains free, except for the products listed under (2) above. An excess of exports above normal trade is authorized only provided the Belgian Government is assured that these products, or their derivatives, are not destined for the belligerents. As regards the goods listed under (3) above, exports to neutral countries are, in principle, authorized only when it is understood that such goods are not re-exported to belligerent countries.

JAPAN'S IMPORTS FROM GERMANY

C. M. CROFT, COMMERCIAL SECRETARY

Tokyo, February 1, 1940.—The total value of imports into Japan from Germany during the calendar year 1939 was 141,002,921 yen as compared with 171,169,942 yen in 1938, 176,362,609 yen in 1937 and 115,499,602 yen in 1936. Preliminary statistics for 1939 include only a few items of import and are therefore of little value as a basis for analysis. The trade returns show imports from Germany as follows: leather, 529 yen; synthetic colours, 1,873,183 yen; woollen or worsted yarns, 5 yen; cotton tissues, 930 yen; woollen tissues, 44,455 yen; printing paper, 4,163 yen; and dynamos, transformers and similar machinery, 252,608 yen.

DETAILS OF IMPORTS

The import statistics for 1938 are not complete, as no details of the imports of such items as ores and metals have been published since the middle of 1937. Therefore a full survey of the 1938 trade is not possible, and in some instances the statistics for 1936 must be resorted to in order to obtain a basis for any general review of the position. In the following summary the values quoted are, unless otherwise stated, those for 1938.

PLANTS AND ANIMALS (LIVING)

Imports of living plants and animals from Germany were valued at 362,078 yen out of a total of 1,646,914 yen. The imports were under the classification "other," that is other than horses, cows, oxen, and sheep.

GRAINS, FLOURS, STARCHES AND SEEDS

The total value of imports of grains, flours, etc., was 177,191,259 yen, of which Germany's share was only 44,853 yen, practically all of which (44,827 yen) was included under "other grains and seeds."

BEVERAGES, COMESTIBLES AND TOBACCO

Germany supplied commodities under this classification to the value of 82,489 yen out of a total of 50,767,532 yen. The largest item purchased in this class was tobacco (other than leaf) to the value of 34,760 yen, total imports having been valued at 73,016 yen. Salt was imported to the total value of 30,290,099 yen, of which Germany's share was 25,199 yen, the largest suppliers being China and Kwantung Province. Germany supplied wine in bottles to the value of 6,605 yen out of total imports of 56,525 yen; champagne to a value of 2,211 yen, the total being 27,181 yen; and unspecified alcoholic liquors to the value of 6,779 yen out of a total of 100,915 yen. The only other item imported to any extent from Germany was tonic food valued at 3,967 yen, the total imports being worth 43,168 yen.

SKINS, HAIRS, BONES, ETC., AND MANUFACTURES

The total imports under this heading were valued at 39,827,370 yen, of which Germany's share was 198,072 yen composed largely of dyed or coloured leather of cows, buffaloes, horses, sheep and goats (167,941 yen). Canada supplied none of this leather.

OILS, FATS, WAXES, AND MANUFACTURES THEREOF

Total imports of oils, fats, etc., were valued at 326,933,590 yen, Germany's share being 519,351 yen. It is not possible to review the 1938 imports from Germany, as nearly all (496,014 yen) were included under the general heading "all other oils, fats, etc." Reference to the import statistics for 1936 shows purchases from Germany to the total of 1,072,789 yen, including "other mineral oil" under 0.8762 specific gravity, 139,608 yen; under 0.9218 gravity, 345,040 yen; and other, 150,392 yen. There were small imports of such other commodities as stearin, soaps, cacao butter and fragrant volatile oil.

DRUGS, CHEMICALS, MEDICINES, COMPOUNDS OR PREPARATIONS THEREOF

Germany has been a prominent supplier of drugs, chemicals and products thereof, imports in 1938 being valued at 49,873,724 yen out of the total importation of such commodities to the value of 181,768,428 yen. Germany supplied quantities of many of the commodities specified in the trade returns, but only a few items were of outstanding importance. Germany supplied crude sulphate of ammonia to the value of 14,638,760 yen (total, 31,709,505 yen) and crude sulphate of potash to the value of 14,522,358 yen (total, 16,967,369 yen). Purchases of hops were valued at 2,814,991 yen (total, 3,302,780 yen); chloride of potash, 1,348,036 yen (total, 8,458,959 yen); unspecified chemical products derived from coal tar distillates, 1,146,010 yen (total, 2,237,448 yen); gelatin, 579,320 yen (total, 951,830 yen); and milk sugar, 117,535 yen (total, 304,663 yen).

There were some twenty-four other commodities of this class imported from Germany, the value in each case being under 20,000 yen. Purchases under the heading of "all other drugs, chemicals, and medicines" were 2,460,193 yen, the total imports being valued at 8,714,469 yen. The imports of "all other compounds or preparations of drugs, chemicals and medicines" amounted to

12,150,728 yen out of total imports of 32,334,300 yen. Most of the commodities under the classification of drugs and chemicals which Germany has supplied to Japan are of a kind not exported by Canada, the outstanding exception being sulphate of ammonia for which there is a possible market in Japan.

DYES, PIGMENTS, COATINGS AND FILLING MATTERS

Total imports of dyes, pigments, etc., in the year under review were valued at 9,250,537 yen, of which Germany supplied to a value of 2,434,952 yen; Canada's share was only 4,518 yen, of which 4,500 yen was under the general heading "all other dyes and pigments." The values of the imports from Germany of the various commodities in this category are as follows, the figures within parentheses being the values of the total imports: logwood extract, 4,920 yen (245,418 yen); artificial indigo, 19,593 yen (30,372 yen); basic colours, 93,054 yen (144,851 yen); direct cotton colours, 359,420 yen (834,607 yen); acid colours, 388,392 yen (643,600 yen); mordant and acid mordant colours, 225,513 yen (389,497 yen); sulphide colours, 240,424 yen (291,895 yen); vat colours, 288,219 yen (365,787 yen); oil soluble colours, 30,719 yen (39,433 yen); other synthetic colours, 65,851 yen (98,406 yen); liquid gold, 14,426 yen (15,695 yen); ultra-marine blue, 24,667 yen (81,380 yen); carbon black, 7,416 yen (1,769,002 yen); lacquer, 1,017 yen (1,795,647 yen); pitch and asphalt, 110 yen (471,537 yen); pencils, 8,943 yen (9,374 yen); printing ink (liquid or paste), 838 yen (152,751 yen); ship's bottom paint, 545 yen (20,255 yen); other paints, 2,921 yen (72,533 yen); all other dyes and pigments, 640,409 yen (1,542,627 yen); and all other coatings and filling matters, 15,282 yen (226,831 yen).

YARNS, THREADS, TWINES, CORDAGES, AND MATERIALS THEREOF

Total imports under this heading were valued at 571,687,001 yen, composed largely of cotton, wool, hemp and jute. Germany's share was only 6,730 yen.

TISSUES AND MANUFACTURES THEREOF

Germany supplied tissues and manufactures thereof to the value of 199,039 yen out of a total of 5,631,980 yen. These imports were composed largely of velvets and plushes (silk and cotton mixtures) to a value of 57,585 yen and woollen cloths and serges exceeding 200 but less than 500 grams per square metre valued at 53,723 yen.

CLOTHING AND ACCESSORIES THEREOF

The total value of the imports of clothing and accessories thereof was 318,977 yen, of which Germany's share was 33,087 yen, a large portion of which (30,358 yen) represented imports of buttons.

PAPERS, PAPER MANUFACTURES, BOOKS AND PICTURES

The imports under this classification, including, as it does, pulp, are substantial, being valued at 48,363,733 yen in 1938. Of these imports, Germany was credited with 2,135,471 yen; the largest suppliers were the United States, Manchukuo, Sweden, Norway, Canada, and Finland, purchases from Canada being valued at 5,489,298 yen. Germany supplied pulp for artificial silk to the value of 41,968 yen out of a total of 34,469,179 yen; Canada's trade was valued at 4,880,822 yen. Germany's share of the imports of pulp for paper-making was insignificant, being only 12 yen out of total imports of 7,712,323 yen. Printing paper weighing not more than 58 grams per square metre, which includes newsprint, was imported to a total value of 681,149 yen, of which Germany's share was 83,882 yen; Canada shipped to a value of 359,904 yen. Imports of newsprint have been reduced to a minimum, and no revival of

the trade can be anticipated until the present rigid control of the import trade of Japan is relaxed. The imports of pasteboard or cardboard are not large, being valued at 92,562 yen, of which Germany's share was 81,726 yen. She furnished by far the largest portion of the imports of imitation Japanese paper and tissue paper, 225,767 yen out of a total of 349,938 yen. Similarly that country was the largest supplier of imitation parchment paper with 214,197 yen of a total of 509,671 yen. Her share of the imports of baryta paper was 525,521 yen out of a total of 921,001 yen. Germany also had a large share of the imports of books and periodicals, 702,600 yen out of a total of 1,811,062 yen. The imports of all unenumerated manufactures of paper or pulp totalled 1,345,133 yen, of which supplies to a value of 247,822 yen came from Germany.

MINERALS AND MANUFACTURES THEREOF

Total imports of minerals and manufactures were valued at 121,136,947 yen, Germany's share being 1,227,957 yen, while Canada was credited with 5,115,343 yen. In the following comments on the imports of minerals, reference will be made to only those items which Germany has been shipping to Japan. The total value of imports of mineral substances for grinding or polishing was 1,447,272 yen, Germany's share being 310,814 yen. Germany supplied metal polishes to the value of 11,817 yen out of a total of 35,962 yen, artificial grindstones or whetstones to a value of 35,238 yen out of a total of 338,074 yen, and precious stones to a value of 55,875 yen, the total being 459,108 yen. The imports of asbestos and manufactures thereof (in lump, powder or fibre) reached the value of 7,549,050 yen, Germany's share being only 773 yen. Canada was the outstanding supplier with 5,028,135 yen. Other asbestos and manufactures thereof was imported from Germany to the value of 20,922 yen out of the total of 231,089 yen, and gypsum to a value of 2,163 yen out of total imports valued at 222,329 yen. Unenumerated minerals and manufactures thereof were purchased to the total value of 7,668,728 yen, of which Germany supplied to a value of 164,246 yen and Canada to a value of 70,740 yen.

GLASS, GLASS MANUFACTURES AND CLAY MANUFACTURES

The total value of imports under this heading was 4,239,792 yen, of which Germany is credited with 1,845,054 yen and was the largest supplier. Canada's share of this trade was negligible. Fire bricks came from Germany to the value of 452,481 yen out of the total of 1,738,996 yen. Uncoloured plate or sheet glass, under 2.2 mm. in thickness, was imported to the total value of 70,764 yen, of which Germany was credited with 9,799 yen; similar glass under 4 mm. in thickness accounted for 51,868 yen, Germany's share being 48,639 yen. Imports of other uncoloured plate or sheet glass were valued at 566,365 yen, of which Germany's share was 16,491 yen. Purchases of other plate or sheet glass from Germany were valued at 49,198 yen out of total imports of 70,548 yen, and those of plate glass having inlaid metal wire or net were valued at 4,181 yen out of a total of 17,903 yen. All other glass, glass manufactures and clay manufactures were imported to the total value of 1,722,968 yen, Germany's share being 1,263,975 yen.

ORES AND METALS

This group constituted an important class of imports into Japan, the value in 1938 being 661,894,693 yen. Of this value Germany was credited with 24,268,491 yen, while Canada's share was 54,112,812 yen. Imports from Canada were exceeded only by those from the United States and Manchukuo. However, as neither the 1938 nor the 1937 statistical returns give details of the classes of ores and metals which were imported, it is necessary to refer to the import

statistics for 1936 to show the classes of these commodities which were coming from Germany. In that year purchases from Germany were valued at 13,203,897 yen, while the total imports were valued at 374,891,804 yen. Canada's share of the trade was 30,289,092 yen.

The 1936 imports of iron ores were valued at 40,042,933 yen, of which Germany's share was 3,830 yen and Canada's 233,633 yen. Zinc ores totalled 3,020,105 yen in value in 1936, Germany's share being 7,450 yen and Canada's 54,363 yen. Imports of ferro-manganese were valued at only 7,174 yen, Germany's share being 5,000 yen. Germany supplied a large proportion of the imports of unspecified non-malleable iron alloys, the value being 354,583 yen out of the total of 386,587 yen. Sheet bars (including tinplate bars) were imported to the value of 10,067,503 yen, of which Germany's share was 2,024,058 yen. Germany supplied iron ingots, blooms, billets and slabs to the value of 763,834 yen out of a total of 5,251,841 yen; Canada's sales amounted to only 170 yen. Germany was the largest supplier of round, square and flat iron with 1,348,301 yen, the total being 4,106,650 yen and Canada's share 2,849 yen. Similarly in iron bars and rods (T-angle and the like) Germany was credited with 1,005,081 yen out of a total of 1,599,501 yen; imports from Canada were valued at 193 yen. Iron wire rods were imported to the total value of 4,648,935 yen, of which Germany is credited with 255,810 yen.

Imports of iron plates and sheets, not coated with metals, were divided into four classes as follows, the values shown being those of imports from Germany in 1936, with the total values of imports within parentheses:—not exceeding 0.7 mm. in thickness, silicon steel sheets, 20,813 yen (469,383 yen); not exceeding 0.7 mm. in thickness, other, 128,784 yen (386,645 yen); not exceeding 0.3 mm. in thickness, 434,597 yen (1,655,588 yen); other, 398,744 yen (1,905,610 yen). The only import from Canada of such iron plates and sheets was under the heading of "other" to the value of 498 yen.

Tinned iron and steel sheets were imported to the value of 14,237,907 yen, of which Germany is credited with 78,973 yen. The value of imports of iron wires, coated with base metals was only 30,718 yen, Germany's share being 4,274 yen. Purchases of other iron wires totalled 958,747 yen, Germany being the largest supplier (422,567 yen). Iron ribbons came from Germany to the value of 291,987 yen. Imports of German iron bands (hoop iron) were valued at 338,890 yen out of the total value of 3,783,368 yen. Wire ropes and twisted wire was imported to the value of 192,445 yen, of which Germany is credited with 40,065 yen. Unenumerated iron pipes and tubes, not coated with metals and not exceeding 150 mm. in inner diameter, were imported to the value of 5,791,405 yen, Germany being the largest supplier with 1,946,393 yen. Similarly Germany was the principal source for other iron pipes and tubes not coated with metals, being credited with 612,762 yen out of 1,086,598 yen. Imports of special steel amounted to 7,250,923 yen, of which Germany supplied to a value of 1,482,878 yen. Waste or old iron was imported to the value of 80,865,743 yen, of which only 123,693 yen was credited to Germany, while Canada's share was 1,885,220 yen.

Total imports of iron and its products were valued at 192,039,892 yen, Germany's share being 12,119,606 yen and Canada's 1,895,168 yen. In non-ferrous ores and metals Germany was not such a prominent supplier. Of the total imports of aluminium ingots, slabs and grains, valued at 11,830,525 yen, Germany's share was negligible, while Canada was credited with 8,620,487 yen. "Other" aluminium came from Germany to the value of 109,967 yen, the total being 1,398,209 yen; Canada's share was 40,259 yen. Germany's trade in copper ingots and slabs was negligible, and she did not ship much "other" copper to Japan, the value in 1936 being 3,992 yen out of a total of 3,347,832 yen and against 14,424 yen from Canada. Germany supplied no lead ingots and slabs (total imports, 26,873,028 yen; Canada, 11,779,395 yen), while imports

of "other" lead from Germany amounted to only 977 yen out of a total of 302,725 yen. Germany's share of the imports of tin was negligible.

Total imports of zinc ingots, slabs and grains were valued at 10,996,713 yen, Canada being the largest supplier with 3,835,859 yen, while Germany's share was 47,906 yen. Zinc plates and sheets, not exceeding 0.17 mm. in thickness came from Germany to the value of 33,390 yen (total, 581,324 yen), while she supplied other zinc plates and sheets worth 18,126 yen (total, 1,038,601 yen). "Other" zinc was imported to the total value of 3,811,122 yen, of which 128,000 yen is credited to Germany and 35,782 yen to Canada.

Germany's trade in nickel was small; she furnished nickel ingots and grains to the value of only 62 yen as against 3,129,894 yen from Canada out of total imports of 8,312,880 yen; other nickel was imported to the value of 201,395 yen, of which Germany's share was only 54 yen. Of the total imports of mercury valued at 3,122,372 yen, Germany's share was 310,953 yen.

Imports of brass and bronze, other than ingots and slabs or waste, were valued at 569,165 yen, of which Germany is credited with 53,898 yen and Canada with 2,061 yen. The total value of the imports of all unspecified metals was 3,416,060 yen; Germany's share of this value was 365,231 yen, while Canada's was 531,650 yen.

As mentioned previously, the values quoted for imports of ores and metals are those for the calendar year 1936, the latest period for which details are available. Japan's imports of these commodities have increased somewhat since then, and it is possible that the character of the trade may have altered.

METAL MANUFACTURES

The total value of imports under this heading in 1938 was 8,429,768 yen, of which Germany was credited with 1,093,900 yen; Canada's share was 1,203 yen. The principal items of import from Germany were as follows, the values shown being those of shipments from Germany, with total values within parentheses: iron bolts, nuts, and washers, 53,332 yen (249,236 yen); iron cylinders for filling with compressed gases, 338,449 yen (440,161 yen); cocks and valves, 104,190 yen (989,165 yen); mechanics' tools, agricultural implements and parts thereof, 39,241 yen (428,281 yen); drills, bits, reamers, and screw-tops, 66,362 yen (500,289 yen); cutlery, 22,422 yen (34,890 yen); needles and pins, 298,277 yen (443,054 yen); iron manufactures, not elsewhere enumerated, 89,741 yen (407,526 yen); and all other metal manufactures, 29,650 yen (425,203 yen).

CLOCKS, WATCHES, SCIENTIFIC INSTRUMENTS, FIRE-ARMS, VEHICLES, VESSELS, AND MACHINERY

The total value of the imports under this classification was 313,361,612 yen, of which Germany's share was 84,297,762 yen and Canada's 3,019,069 yen. A great many items are included, the principal of which are summarized hereunder.

Unspecified watches and clocks and parts thereof came from Germany to the value of 40,365 yen out of a total of 192,000 yen. Germany supplied a large proportion (138,049 yen) of the total imports of the microscopes and parts thereof (156,290 yen). Ampere-meters, volt-meters and volt-ampere-meters were imported to the value of 23,236 yen, of which Germany is credited with 6,086 yen. She was the largest supplier of watt-meters with a value of 17,531 yen out of a total of 33,521 yen. Meters of other kinds were imported to the value of 1,838,051 yen, of which Germany supplied to a value of 637,922 yen. Imports of electric batteries and parts thereof were small, being valued at 44,822 yen, but Germany was the largest source of supply with 28,647 yen. Surgical instruments and parts thereof were imported to the value of 128,855

yen, Germany's share being 65,735 yen. Germany was the outstanding supplier of drawing and surveying instruments (including parts), her shipments having been valued at 673,108 yen out of a total of 789,988 yen.

Imports of typewriters and parts were valued at 95,898 yen, Germany's share being 41,029 yen. She had a large share of the imports of physical and chemical instruments (including parts), being credited with 1,098,295 yen out of total imports of 1,413,565 yen; Canada's share of this trade was negligible. Similarly Germany dominated all suppliers of photographic instruments and parts with 1,039,296 yen out of a total of 1,209,409 yen. In musical instruments, parts, and accessories, Germany also was the largest supplier with 88,002 yen, the total imports being valued at 118,539 yen. Germany's share of the imports of telegraphic instruments and parts thereof was even greater, she having been credited with 1,546,320 yen out of the total of 1,594,383 yen. Imports of telephonic instruments and parts (other than radio receiving sets) were valued at 1,783,563 yen, and of this 322,320 yen was credited to Germany. Other scientific instruments and parts were imported to the total value of 921,357 yen, Germany's share being 570,306 yen.

Imports from Germany of vehicles, parts thereof, and vessels (other than railway carriages, motor and other cycles, and parts) were valued at 2,674,159 yen out of total imports of 61,715,926 yen; Canada's share of this trade was 2,835,430 yen. Steam boilers, parts and accessories were imported to the value of 5,559,769 yen, Germany being credited with 661,942 yen. She supplied all the locomotives and tenders which were imported, to the value of 17,760 yen. Of steam turbines valued at 410,798 yen, Germany was credited with 219,350 yen. Purchases of water turbines and pelton wheels amounted to only 162,692 yen, but Germany supplied most of this (143,114 yen). Dynamos and electric motors (weighing not more than 100 kilograms) were imported to the value of 1,549,582 yen, Germany's share being 37,568 yen; similar equipment, weighing not more than 5,000 kilograms, was imported to the extent of 318,997 yen, of which Germany's share was 122,818 yen. Other dynamos and electric motors were imported from Germany to the value of 395,773 yen out of the total of 720,327 yen. Germany supplied transformers valued at 159,019 yen out of total imports of 176,704 yen.

All the cranes, valued at 397,356 yen, imported in 1938 came from Germany. Total imports of gas compressors were valued at 2,522,173 yen, of which Germany's share was 1,170,964 yen. Sewing machines came from Germany to the value of 34,557 yen, the total imports being valued at 386,316 yen. The parts and accessories of sewing machines imported from Germany amounted in value to 33,777 yen out of a total of 53,251 yen. Germany supplied a large proportion of the pumps imported, the value being 1,045,897 yen out of a total of 1,947,148 yen. Blowing machines came from Germany to the value of 128,215 yen out of total imports of 399,576 yen. Total imports of hydraulic presses were valued at 444,740 yen, Germany's share being 48,567 yen. Germany supplied pneumatic tools and machines to the value of 114,777 yen out of the total of 432,824 yen. Spinning machines were purchased to the total of 1,634,526 yen, those from Germany being valued at 412,916 yen.

Germany was the only supplier of paper-making machines, with sales to the value of 1,325,190 yen. Imports of German printing machines were valued at 150,792 yen out of total imports of 330,735 yen. All machinery, not enumerated, was imported to the value of 171,285,730 yen, of which Germany is credited with 56,542,697 yen; Canada's share was 6,648 yen. Rolls and rollers of iron were imported to the value of 413,727 yen, Germany's share being 185,480 yen. Imports of rolls and rollers, other than iron, were valued at 67,861 yen, Germany being credited with 24,424 yen. Of the total imports of milling cutters, gear cutters and saws for machinery, valued at 844,159 yen, Germany supplied to a value of 142,093 yen. Card clothing came from Germany

to the value of 207,155 yen out of a total of 441,477 yen. Endless felts for paper-making were purchased to the value of 837,983 yen, of which Germany was credited with 153,894 yen and Canada with 72,951 yen. Germany was the only source of supply for endless metal nets for paper-making valued at 12,465 yen. Of the total imports of parts of steam turbines valued at 699,471 yen, Germany was credited with 577,483 yen. Bearing balls were imported to the value of 1,312,512 yen, Germany's share being 750,486 yen. The imports of all other parts of machinery were valued at 40,708,482 yen; Germany was a prominent supplier with 9,991,562 yen, while Canada's share was 1,034 yen.

MISCELLANEOUS ARTICLES

Total imports of miscellaneous articles (including articles by post and travelling effects) were valued at 129,973,615 yen, of which 2,297,986 yen is credited to Germany and 3,832,044 yen to Canada. This classification is too general to permit of any useful analysis. Imports from Germany consisted largely of carbon for electric use (262,586 yen), lamps and lanterns (6,672 yen), films for cinematographs (86,652 yen), other films for photographs (158,837 yen), other miscellaneous articles (1,050,758 yen), and articles by post (586,217 yen). Purchases from Canada in this category included cedar, pine, fir, hemlock, and spruce (not exceeding 60 mm. in thickness) to the value of 43,664 yen; similar lumber not exceeding 200 mm. in thickness, 83,846 yen; similar lumber, exceeding 200 mm. in thickness, 458,256 yen; logs and cants of cedar, pine, fir, hemlock and spruce, 3,312,480 yen; aspen, 8,927 yen; other miscellaneous articles, 2,411 yen; and articles imported by post, 14,462 yen.

SUMMARY

Germany's sales to Japan consist largely of scientific instruments, machinery, drugs, chemicals, medicinal preparations, ores and metals, dyes and pigments and certain classes of paper products. Most of the items supplied by Germany are of a class or kind which Canada is not in a position to supply at competitive prices. There are, however, a few Canadian commodities which may replace similar goods formerly imported from Germany. The opportunities for trade are, of course, dependent on Canada's ability to compete with other countries. As will have been noted above, Japan has been a large buyer of crude sulphate of ammonia from Germany; the other suppliers of the 1938 imports were Kwantung Province, Holland, Belgium, Manchukuo, and Poland. Supplies from several of these countries are likely to be interrupted, and consequently, if Canadian firms are interested in this market, business may result.

Germany has supplied certain special types of paper, and inquiries submitted to Canada for some of these papers have had negative results. The general tendency in Japan is to reduce imports of pulp and paper to the lowest possible level, and the opportunity for expanded trade is not bright. The minerals and manufactures thereof which Germany has been shipping to Japan are principally those in which Canada is not interested, and Germany has done little business in the one item—*asbestos*, which Canada supplies extensively. Although Germany has shipped large quantities of commodities under the heading of glass, glass manufactures and clay manufactures, imports of similar items from Canada are negligible, and little hope can be entertained for an expansion of trade.

The present imports of various classes of ores and metals can not be detailed owing to the lack of statistics. The principal items of Germany's trade have been those in which Canada is an insignificant supplier, such as iron and iron plates, sheets, etc. The reverse applies to the commodities, such as nickel, aluminium, lead, and zinc, in which Canada has a large trade and Germany's

sales are relatively negligible. Consequently there is little opportunity for Canadian trade to expand because of the curtailment of supplies from Germany. Canada is a small supplier of metal manufactures, while quite large quantities have come from Germany. However, the United States has been the outstanding country of origin, and in order for Canada to increase her sales to Japan she must be able to offer prices competitive with those from the United States. Similar comment applies to clocks, watches, scientific instruments and machinery. Canada has a small share of the trade as compared to Germany, but the United States is a large supplier. Canada's trade in miscellaneous articles is largely in wood, which Germany does not supply, whereas the commodities which come from Germany are not prominent in Canada's export trade.

The war in Europe, with the consequent disorganization of Germany's export trade, will not afford Canada many opportunities of expanding her exports to Japan. Those presented are being investigated, but already information has been received to the effect that Canada can not supply the goods concerned.

TRADE OF NETHERLANDS INDIA IN 1938

J. L. MUTTER, CANADIAN TRADE COMMISSIONER

(One florin or guilder equals \$0.55 Canadian; one metric ton equals 2,204 pounds; one kilo equals 2.2 pounds)

Singapore, January 4, 1940.—Under the title "Trade and Economic Conditions in the Netherlands Indies in 1938" a report was published in *Commercial Intelligence Journal* No. 1841 (May 13, 1939). Detailed statistics relating to the trade of the country in that year have only recently become available, and the compilation of this supplementary section has been delayed accordingly.

The total trade of Netherlands India in 1938 was approximately 79 per cent of that in the previous year. The following table shows the value of total trade in the year under review (exclusive of bullion shipments) as compared with that of each of the years 1934 to 1937 inclusive and with that of 1929:—

	1929	1934	1935	1936	1937	1938
		Figures in Millions of Guilders				
Imports	1,166	286	273	282	491	478
Exports	1,488	487	446	538	951	658
Total trade	2,654	773	719	820	1,442	1,136
Excess of exports	322	201	173	256	460	180
Imports as a percentage of exports	78.5	58.7	61.2	52.4	51.6	72.6

Although the 1938 values of imports and exports are below the corresponding figures for 1937, they are considerably in excess of those covering the preceding years (1932 to 1936 inclusive); the volumes of imports and exports remained practically at the level of 1937. The maintenance of imports in 1938 at a fairly satisfactory level was due to the fact that many orders forwarded in the course of the preceding year were not filled until 1938, while the increase in the value of imports during the last few months of the year reflects the higher surcharges upon import duties levied as from January 1, 1939. (Imports of piece-goods, hides, paper, vehicles, and machinery increased during the last few months of 1938).

EXPORTS

The volume of exports from Netherlands India in 1938 was 95.6 per cent of that in 1937 (1938, 10,994,430 metric tons; 1937, 11,500,000 metric tons). The export value in 1938 was only 69 per cent of that in 1937, being Canadian \$361,787,000 as against \$523,157,000. Exports from the Outer Provinces, as in

the past, made up the largest share of these totals, namely 79 per cent of the volume of Netherlands India's exports in 1938 and 67 per cent of the value. The principal purchasers were Holland (20 per cent), Singapore (17 per cent), United States (14 per cent), United Kingdom (5 per cent), Australia (over 4 per cent), Egypt (4 per cent), Germany (under 4 per cent), and Japan (3 per cent).

The table hereunder shows the principal exports from Netherlands India during 1936 to 1938 inclusive:—

	1936	1937	1938	1936	1937	1938
	Gross Weight in 1,000 Kilos			Value in 1,000 Guilders		
Animal products and their manufactures	36,655	42,047	32,589	10,772	12,577	8,022
Rubber and gutta-percha	348,449	483,160	331,243	87,797	298,118	135,384
Drugs and spices	155,515	108,445	139,032	28,788	26,589	30,230
Coffee, all kinds	96,793	100,523	70,107	15,857	26,048	13,708
Oil seeds and vegetables containing oil	806,277	857,989	919,768	70,826	104,658	65,778
Sugar, all kinds	1,010,333	1,365,276	1,196,538	34,095	51,109	45,220
Tobacco, all kinds	49,707	50,173	50,309	37,890	41,088	38,849
Tapioca products	293,501	446,664	266,563	11,779	18,383	9,198
Tea	79,323	75,934	81,844	42,893	49,081	56,243
Fibres, all kinds	111,300	114,046	113,359	16,860	23,393	16,098
Other vegetable products	939,559	1,054,045	878,873	27,780	37,773	29,185
Mineral oil and products	5,601,581	6,289,817	6,434,930	97,458	166,615	164,018
Cement, ores, base metals and sulphur	255,366	437,452	466,823	49,884	91,399	39,395
Goods of sundry nature	6,417	6,197	7,282	2,799	3,036	3,947
Foreign products, except gold and silver	7,334	4,954	5,173	2,180	1,351	2,521
Gold and silver	200	60	71	19,200	12,193	12,093

EXPORTS TO CANADA

The value of exports to Canada increased by 37 per cent over the figure for 1937, being fl.1,225,000 (Canadian \$673,750) as against fl.893,000 (Canadian \$491,150). This higher value in 1938 was mainly due to the export of coconut oil (formerly not even mentioned in the official statistics) and the increased export of palm oil. Following is a table showing exports to Canada in 1938 as recorded in Netherlands India's statistics; the total exports of each item are shown for purposes of comparison:—

Principal Exports, and Exports to Canada, 1938

	Total Exports		Exports to Canada	
	M. Tons	Guilders	M. Tons	Guilders
Total	10,994,430.0	657,794,926	10,916.0	1,225,000
Caoutchouc, hevea-rubber, sprayed and sheets (estate)	158,856.6	71,032,810	273.5	132,503
Gutta-percha, cultivated	260.2	419,692	3.2	5,195
Cinnamon-cassia	2,505.4	730,114	52.1	11,999
White pepper	11,350.0	2,660,701	160.8	39,202
Black pepper	44,198.7	5,889,919	369.7	47,672
Vanilla	18.1	108,758	0.3	1,384
Gum copal (loba)	3,466.3	431,087	37.8	4,385
Gum-damar: mata kuching	4,332.8	835,462	6.4	1,765
Coffee (shelled and Arabica)	8,874.2	3,599,197	39.2	18,929
Gambir	3,382.7	677,173	54.2	13,675
Groundnuts (shelled)	18,914.7	1,992,439	130.3	13,638
Coconut oil	20,279.4	2,536,092	3,250.5	384,788
Palm oil	220,806.2	16,527,092	4,434.2	293,373
Tapioca flour	139,475.6	5,472,568	638.3	25,155
Tapioca flakes and siftings	6,606.4	384,511	59.8	3,481
Tapioca pearl and seeds	13,239.9	797,599	505.0	29,135
Tea	79,631.6	54,841,479	88.5	63,249
Fibres	90,086.6	9,076,420	562.8	54,050
Kapok (unseeded)	15,762.5	6,372,948	185.0	72,860
Pandan hats	994.4	223,824	28.3	3,967

IMPORTS

The total value of imports into Netherlands India in 1938 was Canadian \$263,147,300 as compared with \$269,819,000 in 1937, a decline of about 2.5

per cent. The volume of imports, however, which was almost 2,000,000 metric tons in 1937, increased slightly. The principal sources of supply were: Holland, 22 per cent; Japan, 15 per cent; United States, 13 per cent; Germany, 10 per cent; United Kingdom, 8 per cent; Singapore, 8 per cent; British India, 4 per cent; Australia, 3 per cent; Belgium and Luxembourg, 3 per cent; and France, 2 per cent.

IMPORTS FROM CANADA

Imports from Canada increased in value by 19 per cent to fl.3,667,000 (Canadian \$2,016,850) as compared with fl.3,079,000 (Canadian \$1,693,450) in 1937 and fl.2,289,000 (Canadian \$1,258,950) in 1936. The principal items imported from Canada in 1937 and 1938, with quantities and values, are tabled hereunder:—

Imports from Canada into Netherlands India

	1937		1938	
	Quantity	Guilders	Quantity	Guilders
Total	Kg. 7,619,000	3,079,000	9,529,000	3,667,000
Passenger cars	No. 700	1,161,461	1,011	1,577,588
Chassis for trucks	No. 618	834,267	465	650,240
Trucks	No. 170	267,618	160	239,427
Sulphate of ammonia	Kg. 1,067,030	64,832	3,031,017	193,274
Newsprint	Kg. 1,802,027	214,826	1,218,322	155,734
Automobile engines and parts	Kg. 68,353	74,513	110,205	147,525
Automobile accessories	Kg. 41,702	53,083	121,965	138,491
Tires for automobiles	No. 2,451	51,199	4,398	85,917
Wheat flour	Kg. 927,591	88,097	918,608	83,423
Pulp and paper manufacture	Kg. 290,412	30,752	448,270	49,378
Fertilizers, miscellaneous	Kg. 870,431	49,443	529,366	48,164
Street tractors	No. 13	36,747	18	47,122
Timber, sawn	Kg. . . . .	. . . . .	202,831	20,651
Cotton fabrics, miscellaneous	Kg. . . . .	. . . . .	18,829	20,204
Canned sardines	Kg. 60,135	15,852	70,967	15,189
Tubes for automobiles	No. 524	2,466	2,001	11,926
Canned salmon	Kg. 10,237	2,553	39,161	10,616
Medicines packed for retail sales, miscellaneous	Kg. . . . .	. . . . .	3,762	10,541
Tacks and nails in cases	Kg. 16,458	6,716	21,255	9,689
Automobile batteries	Kg. 19,626	6,776	21,046	9,573
Belting	Kg. 3,262	5,050	8,942	9,551
Outer clothing for men and boys	Kg. 1,393	5,434	1,939	7,970
Chassis for passenger cars	No. 2	1,146	8	7,967
Manufactured rubber goods	Kg. 2,012	2,593	6,770	6,982
Miscellaneous building boards	Kg. 23,281	4,190	34,464	6,885
Lead and lead alloys	Kg. 6,245	1,062	21,507	5,808
Macaroni and vermicelli	Kg. 26,522	7,285	18,929	5,413
Zinc and zinc alloys	Kg. . . . .	. . . . .	19,962	5,390
Cutlery, including razor blades	Kg. . . . .	. . . . .	490	4,941
Fish, fresh, frozen, etc.	Kg. 5,342	4,049	3,588	4,586
Outer clothing for women and girls	Kg. . . . .	. . . . .	398	4,211
Cameras	No. . . . .	. . . . .	76	3,604
Fountain pens	No. . . . .	. . . . .	852	3,521
Linen-drapers' wares, miscellaneous	Kg. 2,165	2,282	3,696	3,423
Paper, miscellaneous	Kg. 4,945	1,179	10,622	3,367
Rubber hose	Kg. . . . .	. . . . .	4,660	3,338
Sauces	Kg. 16,053	4,861	10,516	3,016
Tinned vegetables, miscellaneous	Kg. . . . .	. . . . .	15,039	2,798
Tires for motor cycles	No. 453	3,367	346	2,592
Aluminium powder	Kg. . . . .	. . . . .	2,070	2,520
Leather, n.o.s.	Kg. . . . .	. . . . .	460	2,280
Pickles	Kg. . . . .	. . . . .	6,038	2,072
Foodstuffs, n.o.s.	Kg. 3,982	1,726	5,449	1,967
Mechanical tools and parts, n.o.s.	Kg. . . . .	. . . . .	655	1,792
Woodwork, tri-ply and multi-ply boards	Kg. . . . .	. . . . .	7,266	1,791
Printed matter, miscellaneous	Kg. . . . .	. . . . .	1,910	1,736
Gold, platinum or silver ware, miscellaneous	Kg. . . . .	. . . . .	2	1,704
Chemical products, n.o.s.	Kg. . . . .	. . . . .	28,239	1,702
Wax-cloth, plain	Kg. 1,410	1,109	2,449	1,689
Canned milk: miscellaneous including powdered	Kg. . . . .	. . . . .	1,666	1,661
Fabrics of other composition	Kg. 707	1,155	1,074	1,613

Imports from Canada into Netherlands India—Concluded

		1937		1938	
		Quantity	Guilders	Quantity	Guilders
Fancy goods, paper	Kg.	.....	.....	4,151	1,421
Paper, blotting	Kg.	.....	.....	5,250	1,345
Packing, miscellaneous	Kg.	.....	.....	6,532	1,287
Timber, planed	Kg.	.....	.....	7,602	1,219
Glues, packed for retail sales	Kg.	.....	.....	1,669	1,210
Paints, ready-made or wet	Kg.	.....	.....	1,531	1,061

The following additional commodities are known to have been imported into Netherlands India from the Dominion during 1936 but are not listed in the official Netherlands India's statistics: Patent leather; oilcloth; bags of cotton, etc.; glass and glassware; brushes; biscuits and bread; rubber clothing; corsets and brassieres; artificial clothing; hardware; battery plates and separators; athletic goods; paper towels; hair curlers; sun goggles; card tables; whisky and gin; auto-seat covers; porcelain insulators; cosmetics; canned meat; hair pins and toiletries.

NOTES ON IMPORTED COMMODITIES

Following is a list of commodities of interest to Canadian exporters; almost all of these items are also supplied by Canada. The total values of imports of each commodity in the years 1937 and 1938 are shown, as well as the percentage of imports from each principal source in the latter year:—

Biscuits.—Total: 1938, fl.1,134,143; 1937, fl.1,517,725. Sources: Holland (40·8 per cent), Singapore (27·4), Australia (17·8), United Kingdom (7). Other suppliers included Hongkong, United States, Belgium and Luxembourg, Japan, China, and France.

Chocolates, Bonbons, and Similar Confectionery.—Total: 1938, fl.817,852; 1937, fl.717,946. Sources: Holland (63·8 per cent), United Kingdom (22·7), Belgium and Luxembourg (4·5). Other suppliers included Japan, Switzerland, Germany, Hungary, and France.

Tinned Vegetables, Miscellaneous.—Total: 1938, fl.657,503; 1937, fl.672,891. Sources: Holland (31·3 per cent), Singapore (21·2), Hongkong (15·7), United States (10), Japan (6·7), China (6·4), Belgium and Luxembourg (4·4). Other suppliers included Penang, Switzerland, France, and Canada which was credited with 15,039 kilos valued at fl.2,798 (not mentioned in 1937).

Honey.—Total: 1938, fl.49,820; 1937, fl.39,807. Sources: Australia (28·3 per cent), United States (17·6), Holland (16·8), Singapore (8·7), Hongkong (5·3), Switzerland (5·2), Arabia (4·9), Belgium and Luxembourg (4·1).

Macaroni and Vermicelli.—Total: 1938, fl.630,974; 1937, fl.1,089,670. Sources: Singapore (37·3 per cent), Hongkong (31·6), China (12·8), Holland (6·1), France (6). Other suppliers were: Canada, 18,929 kilos valued at fl.5,413 (1937, 26,522 kilos valued at fl.7,285), Penang, Japan, Italy, and Australia.

Wheat Flour.—Total: 1938, fl.7,651,696; 1937, fl.7,334,658. Sources: Australia (95·6 per cent), Singapore (2·5). Canada supplied 918,608 kilos valued at fl.83,423 (1937, 927,591 kilos valued at fl.88,097). Other suppliers included Penang, Holland, United States, and British India.

Canned Milk: (a) Sweetened Condensed Milk.—Total: 1938, fl.2,004,973; 1937, fl.1,881,450. Sources: Holland (77·1 per cent), Singapore (10·6), Denmark (7·1), United States (2·6). Other suppliers included Switzerland, United Kingdom, France, Australia, and Japan.

(b) Unsweetened Condensed Milk.—Total: 1938, fl.699,763; 1937, fl.634,976. Sources: Holland (75·7 per cent), United States (18·5), Denmark (3·3). Other suppliers included Japan and Singapore.

(c) Sweetened Condensed Cream.—Total: 1938, fl.1,624,055; 1937, fl.1,846,867. Sources: Holland (93·8 per cent), Denmark (4·9). Other suppliers included Singapore and Japan.

(d) Sterilized Natural Milk.—Total: 1938, fl.671,759; 1937, fl.592,706. Sources: Norway (40·3 per cent), Switzerland (38·7), Holland (18·6). Other suppliers were Singapore, Denmark, Germany, and Hongkong.

(e) Miscellaneous, including Powdered, Etc.—Total: 1938, fl.259,763; 1937, fl.205,822. Sources: Holland (26·6 per cent), United Kingdom (23), United States (16·8), Australia (16·7), Singapore (5). Canada was credited with 1,666 kilos valued at fl.1,661 (1937, not mentioned). Other suppliers included Norway, Denmark, Belgium, and Luxembourg.

Sauces.—Total: 1938, fl.392,547; 1937, fl.366,388. Sources: Switzerland (30·3 per cent), Hongkong (25·2), Singapore (13), United States (12), China (5·7), United Kingdom (4·2).

Holland (2·5). Canada's share was fl.3,016 (1937, fl.4,861). Other sources of supply included British India, Japan, Germany, Singapore, Italy, and Penang.

Edible Shellfish.—Total: 1938, fl.119,052; 1937, fl.153,642. Sources: Singapore (34·8 per cent), United States (26·9), Hongkong (14·7), United Kingdom (9·6), Japan (4), China (3·8), Holland (2·8).

Pickles.—Total: 1938, fl.95,967; 1937, fl.84,516. Sources: Holland (38·3 per cent), United States (38·2), Hongkong (11·1), United Kingdom (4·7), and Canada (2·2) which was credited with 6,038 kilos valued at fl.2,072 (1937, not mentioned).

Fish, Fresh, Frozen, Etc.—Total: 1938, fl.158,256; 1937, fl.145,529. Sources: Holland (74·5 per cent), Singapore (19·6). Imports from Canada were 5,588 kilos valued at fl.4,586 (1937, 5,342 kilos valued at fl.4,049).

Cheap Salt Fish.—Total: 1938, fl.9,075,927; 1937, fl.7,780,040. Of the total imports into Netherlands India, 96·5 per cent came from the entrepot port of Singapore. Other suppliers included Penang, Siam, Hongkong, Japan, Sarawak, and China.

Canned Salmon.—Total: 1938, fl.102,459; 1937, fl.96,754. Sources: United States (43 per cent), United Kingdom (31), Canada (10·4) which supplied 39,161 kilos valued at fl.10,616 (1937, 10,237 kilos valued at fl.2,553), Japan (8·9), and Singapore (4·7).

Canned Sardines.—Total: 1938, fl.1,458,395; 1937, fl.2,009,096. Sources: Japan (73·1 per cent), Singapore (8·3), United States (7·7), France (4·4), Penang (2·3). Other suppliers included Portugal, Canada (70,967 kilos valued at fl.15,189; 1937, 60,135 kilos valued at fl.15,852), Norway, Holland, and Hongkong.

Hams.—Total: 1938, fl.572,796; 1937, fl.509,129. Sources: Australia (56·8 per cent), Holland (32·8), Denmark (8). Other suppliers included Singapore, United Kingdom, and Poland.

Canned Meat, Miscellaneous.—Total: 1938, fl.839,840; 1937, fl.877,637. Sources: Argentina (33·2 per cent), Holland (32·4), Uruguay (14·4), United States (6·6), Singapore (2·4), Hongkong (2·2), France (1·6). Other suppliers included Denmark, China, Hungary, Germany, United Kingdom, Japan, Switzerland, Poland, Australia. Canada was credited with 3,543 kilos valued at fl.1,811 in 1937.

Fresh Apples.—Total: 1938, fl.327,702; 1937, fl.351,127. Sources: Australia (55 per cent), United States (36·9), Singapore (5·1), Japan (1·3).

Canned Fruit.—Total: 1938, fl.530,438; 1937, fl.586,859. Sources: United States (62·6 per cent), Singapore (10·4), Australia (8·3), Hongkong (7·3), China (3). Other suppliers included Penang, Holland, Japan, Switzerland, and France.

Jams, Jellies, and Marmalade.—Total: 1938, fl.243,158; 1937, fl.213,298. Sources: Holland (45·4 per cent), Switzerland (26·7), Australia (15), United States (4·8), United Kingdom (4·8). Other suppliers included Japan and Singapore.

Foodstuffs, n.o.s.—Total: 1938, fl.769,360; 1937, fl.756,830. Sources: Singapore (27·1 per cent), Hongkong (23·6), Holland (12), China (12), Italy (8·3), United States (5·7), Penang (3·7). Other suppliers included Japan, Australia, United Kingdom, British India, Germany, France, and Canada (5,449 kilos valued at fl.1,967; 1937, 3,982 kilos valued at fl.1,726).

Whisky.—Total: 1938, fl.620,317; 1937, fl.566,190. Sources: United Kingdom (92·8 per cent) was the principal source of supply, followed by Singapore and the United States. In 1937 Canada supplied 453 litres valued at fl.1,389.

Medicines Packed for Retail Sales, Miscellaneous.—Total: 1938, fl.4,241,506; 1937, fl.4,475,311. Sources: Germany (30 per cent), Singapore (22·8), United Kingdom (7·9), Holland (7·7), France (6·1), Switzerland (5·8), Hongkong (5·8). Other suppliers included Japan, Australia, Penang, United States, China, Sweden, Canada (3,762 kilos valued at fl.10,541; 1937, not mentioned), Belgium and Luxembourg, Hungary, and Denmark.

Sulphate of Ammonia.—Total: 1938, fl.4,495,771; 1937, fl.5,839,755. Sources: Holland (55·8 per cent), Belgium and Luxembourg (23·2), Germany (15), Canada (4·3), being credited with 3,031,017 kilos valued at fl.193,274; 1937, 1,067,030 kilos valued at fl.64,832. Other suppliers included United Kingdom, United States, and Poland.

Fertilizers, Miscellaneous.—Total: 1938, fl.2,281,956; 1937, fl.2,408,895. Sources: Holland (39·4 per cent), Germany (23), United States (15), Cocos and Christmas Islands (11·6), Belgium and Luxembourg (3·6). Other suppliers included Canada (529,366 kilos valued at fl.48,164; 1937, 870,431 kilos valued at fl.49,443), Yugoslavia, Algeria and Tunis, United Kingdom, and Singapore.

Paints, Ready-made or Wet.—Total: 1938, fl.1,139,344; 1937, fl.1,258,814. Sources: Holland (31 per cent), United States (28·4), United Kingdom (17·4), Japan (11·2), Germany (5·7), Singapore (1·9). Other suppliers included Hongkong, China, Australia, France, Switzerland, Belgium and Luxembourg, and Canada (1,531 kilos valued at fl.1,061; 1937, not mentioned).

Glues, Packed for Retail Sales.—Total: 1938, fl.41,710; 1937, fl.47,094. Sources: Japan (47·3 per cent), Germany (11·1), United States (10·1), United Kingdom (9·6), Holland (9·5), Singapore (3·5). Canada supplied 1,669 kilos valued at fl.1,210; 1937, not mentioned.

Chemical Products n.o.s.—Total: 1938, fl.1,484,908; 1937, fl.1,003,758. Sources: United States (76.2 per cent), Germany (11), Holland (4.5), United Kingdom (3.6). Other suppliers included Japan, Singapore, France, Sweden, Denmark, British India, Italy, and Canada (28,239 kilos valued at fl.1,702; 1937, not mentioned).

Building Boards, Miscellaneous.—Total: 1938, fl.36,216; 1937, fl.15,207. Sources: Sweden (31.5 per cent), United States (24.1). Imports from Canada were 34,464 kilos valued at fl.6,885 (1937, 23,281 kilos valued at fl.4,190). Other suppliers included Finland and Japan.

Timber, Sawn.—Total: 1938, fl.717,463; 1937, fl.689,496. Sources: Singapore (71 per cent), United States (18.9). Other suppliers included Canada (202,831 kilos valued at fl.20,651; 1937, not mentioned), Japan, Holland, Penang, United Kingdom, and Sweden.

Timber, Planed.—Total: 1938, fl.14,032; 1937, fl.27,727. Sources: United States (37.1 per cent), Holland (31), Australia (12.1), and Canada (7,602 kilos valued at fl.1,219; 1937, not mentioned).

Woodwork, Tri-ply and Multi-ply Boards.—Total: 1938, fl.205,877; 1937, fl.101,419. Sources: Poland (37.2 per cent), Holland (30.8), Japan (15.1), Finland (5.4), China (4.7). Other suppliers included Belgium and Luxembourg, United States, Sweden, and Canada (7,266 kilos valued at fl.1,791; 1937, not mentioned).

Patent Leather.—Total: 1938, fl.280,058; 1937, fl.291,668. Sources: United States (71.5 per cent), British India (11.5), Singapore (4.8), Germany (4.2), Hungary (4). Other suppliers were Siam and Holland. In 1937 Canada's share was 2,236 kilos valued at fl.7,565.

Leather, n.o.s.—Total: 1938, fl.237,150; 1937, fl.203,414. Sources: United States (29.2 per cent), Singapore (18.6), British India (13.7), Holland (10.9), Germany (9.6), Siam (7.5), Australia (5.4). Other suppliers included Canada (640 kilos valued at fl.2,280; 1937, not mentioned), Penang, Belgium and Luxembourg, and Hungary.

Cotton Fabrics, Miscellaneous.—Total: 1938, fl.3,866,646; 1937, fl.5,021,194. Sources: Holland (27.3 per cent), United States (14.3), Japan (13.6), Switzerland (11.9), United Kingdom (9.9), Germany (6), France (5), Belgium and Luxembourg (4.5). Other suppliers included Italy, Singapore, Austria, Canada (18,829 kilos valued at fl.20,204; 1937, not mentioned), Czecho-Slovakia, and British India.

Linen-drapers' Wares, Miscellaneous.—Total: 1938, fl.2,263,941; 1937, fl.2,721,459. Sources: Holland (40.4 per cent), United States (15.5), British India (9), United Kingdom (8), Japan (7), Germany (6.2), Belgium and Luxembourg (5.4). Other suppliers included France, Singapore, Poland, Czecho-Slovakia, Sweden, Italy, Australia, and Canada (3,696 kilos valued at fl.3,423; 1937, 2,165 kilos valued at fl.2,282).

Outer Clothing for Men and Boys.—Total: 1938, fl.370,688; 1937, fl.409,368. Sources: Holland (48.6 per cent), Singapore (17.5), Japan (16.9), United Kingdom (4.6), Germany (2.7). Imports from Canada were 1,939 kilos valued at fl.7,970 (1937, 1,393 kilos valued at fl.5,434). Other suppliers included United States, China, Hongkong, Poland, and Czecho-Slovakia.

Outer Clothing for Women and Girls.—Total: 1938, fl.450,397; 1937, fl.373,119. Sources: Japan (47.5 per cent), United States (17.4), Holland (13.7), Germany (10.9). Other suppliers included Hungary, United Kingdom, China, Canada (398 kilos valued at fl.4,211; 1937, not mentioned), Czecho-Slovakia, Hongkong, Austria, France, Belgium, and Luxembourg.

Hosiery.—Total: 1938, fl.552,937; 1937, fl.491,797. Sources: Japan (29.2 per cent), Czecho-Slovakia (20), United States (15.2), China (8.6), Germany (7.3), United Kingdom (4.4), Holland (3.7). Other suppliers were Singapore, Hongkong, Italy, France, and Hungary.

Pulp for Paper Making.—Total: 1938, fl.60,744; 1937, fl.49,830. Canada was the principal supplier, being credited with 448,270 kilos valued at fl.49,378 (1937, 290,412 kilos valued at fl.30,752), followed by Norway, which supplied the balance of the imports.

Cardboard.—Total: 1938, fl.283,364; 1937, fl.336,927. Sources: Holland (38 per cent), Finland (17), Japan (16), United States (13.2), Formosa (5.5). Other suppliers included Norway, Sweden, Germany, Austria, Czecho-Slovakia, Belgium and Luxembourg. In 1937 Canada's share was 7,721 kilos valued at fl.1,145.

Newsprint.—Total: 1938, fl.729,042; 1937, fl.794,584. Canada was still the principal supplier, being credited with 1,218,322 kilos valued at fl.155,734 (1937, 1,802,207 kilos valued at fl.214,826), followed by Sweden (19.2 per cent), Norway (15.4), Holland (12.6), Finland (11.9), Germany (10.7), Austria (5.3). Other suppliers were Japan, Russia, and United States.

Packing Paper, Miscellaneous.—Total: 1938, fl.2,611,269; 1937, fl.3,086,945. Sources: Holland (46.6 per cent), Sweden (24.1), Germany (7.7), Czecho-Slovakia (6.4), Norway (5). Other suppliers included Austria, United Kingdom, Japan, United States, Belgium and Luxembourg, Russia, Finland, Poland, China, Hongkong, Australia, Italy, Hungary, and Singapore.

Paper, Blotting.—Total: 1938, fl.31,227; 1937, fl.33,030. Sources: Japan (29.5 per cent), Germany (28.1), United Kingdom (19.1), Czecho-Slovakia (6.3), Canada (5,250 kilos valued at fl.1,345; 1937, not mentioned).

Paper, Miscellaneous.—Total: 1938, fl.1,064,194; 1937, fl.1,398,106. Sources: Germany (23·5 per cent), Japan (18·3), Holland (17·6), Finland (8·6), Austria (5·6), Norway (5). Other suppliers included United Kingdom, Sweden, United States, Czecho-Slovakia, Russia, Belgium and Luxembourg, Canada (10,622 kilos valued at fl.3,367; 1937, fl.1,179), Australia, Singapore, Italy, and Hungary.

Printed Matter, Miscellaneous.—Total: 1938, fl.655,952; 1937, fl.517,160. Sources: Holland (44·2 per cent), Japan (23·3), Germany (8·3), United States (7·3), Hongkong (5·9). Other suppliers were Belgium and Luxembourg, China, United Kingdom, Singapore, Penang, and Canada (1,910 kilos valued at fl.1,736; 1937, not mentioned).

Fancy Goods, Paper.—Total: 1938, fl.268,279; 1937, fl.223,433. Sources: Japan (20·8 per cent), Holland (20), Germany (18·6), China (10·8), United States (7·8), Hongkong (7·2), United Kingdom (4·2). Other suppliers included Belgium and Luxembourg, Canada (4,151 kilos valued at fl.1,421; 1937, not mentioned), Switzerland, France, Singapore and Penang.

Fountain Pens.—Total: 1938, fl.105,351; 1937, fl.133,062. Sources: Japan (63·6 per cent), United States (19), Germany (4·7). Canada's share was 71 dozen valued at fl.3,521 (1937, not mentioned).

Gold, Platinum or Silver Ware, Miscellaneous.—Total: 1938, fl.14,330; 1937, fl.39,286. Sources: Singapore (26·3 per cent), Holland (17·8), Canada (fl.1,704; 1937, not mentioned), Japan (10·2), United Kingdom (10·1), Indo-China (9), Germany (8·3).

Aluminium Powder.—Total: 1938, fl.196,232; 1937, fl.188,658. Sources: Germany (84·5 per cent), Holland (5·1), United Kingdom (2·8), Switzerland (2). Other suppliers included Belgium and Luxembourg, Canada (2,070 kilos valued at fl.2,520; 1937, not mentioned), and United States.

Tacks and Nails in Cases.—Total: 1938, fl.280,407; 1937, fl.441,921. Sources: Belgium and Luxembourg (21·5 per cent), Germany (16), Holland (13·3), Sweden (11·1), Italy (10·8), France (9·3), Czecho-Slovakia (5·8). Other suppliers included Canada (21,255 kilos valued at fl.9,689; 1937, 16,458 kilos valued at fl.6,716), United States, and Japan.

Lead and Lead Alloys.—Total: 1938, fl.105,568; 1937, fl.129,905. Sources: Burma (19 per cent), Singapore (17·4), United Kingdom (17·3), Denmark (14·3), Holland (8·2), British India (7·9), Belgium and Luxembourg (7·6). Imports from Canada were 21,507 kilos valued at fl.5,808 (1937, 6,245 kilos valued at fl.1,062).

Zinc and Zinc Alloys.—Total: 1938, fl.34,096; 1937, fl.31,403. Sources: Belgium and Luxembourg (43·4 per cent), Australia (34·2), and Canada (19,962 kilos valued at fl.5,390; 1937, not mentioned).

Street Tractors, Etc.—Total: 1938, 153 units (fl.1,024,809); 1937, 97 units (fl.537,289). Sources: United States (73·4 per cent), Germany (12·8), Canada (4·6), United Kingdom (4·4), Holland (4·2). Imports from Canada were 18 units valued at fl.47,122 (1937, 13 units valued at fl.36,747).

Passenger Cars.—Total: 1938, 6,201 units (fl.7,884,471); 1937, 5,601 units (fl.7,446,084). Sources: United States (41·1 per cent), Canada (20), United Kingdom (13·4), Germany (12), Italy (8·4), and France (2·3). Imports from Canada were 1,011 units valued at fl.1,577,588 (1937, 700 units valued at fl.1,161,461).

Chassis for Passenger Cars.—Total: 1938, 416 units (fl.248,567); 1937, 344 units (fl.193,198). Sources: United Kingdom (53·1 per cent), United States (15·9), Germany (13·8), Italy (13·8). Canada supplied 8 units valued at fl.7,967 (1937, 2 units valued at fl.1,146).

Trucks.—Total: 1938, 308 units (fl.465,503); 1937, 269 units (fl.370,336). Sources: Canada (51·4 per cent), United States (28·3), Holland (9·7), Italy (5·2), United Kingdom (1·6), France (1·6), Germany (1·3). Imports from Canada were 160 units valued at fl.239,427 (1937, 170 units valued at fl.267,618).

Chassis for Trucks.—Total: 1938, 2,728 units (fl.2,738,301); 1937, 3,041 units (fl.3,004,160). Sources: United States (73 per cent), Canada (23·7), United Kingdom. Other suppliers included Italy, France, and Singapore. Imports from Canada were 465 units valued at fl.650,240 (1937, 618 units valued at fl.834,267).

Automobile Accessories.—Total: 1938, fl.1,332,308; 1937, fl.1,198,743. Sources: United States (52·6 per cent), Germany (10·9), Canada (10·4), United Kingdom (9·6), Singapore (4·3). Other suppliers included Australia, Belgium and Luxembourg, Japan, Italy, Holland, France, Czecho-Slovakia, and Sweden. Canada's share was 121,965 kilos valued at fl.138,491 (1937, 41,702 kilos valued at fl.53,083).

Automobile Engines and Parts.—Total: 1938, fl.612,141; 1937, fl.593,039. Sources: United States (46·7 per cent), Canada (24·1), Germany (11·1), United Kingdom (6·8), Italy (4·7), Singapore (4·2). Imports from Canada were 110,205 kilos valued at fl.147,525 (1937, fl.74,513). Other suppliers included France, Japan, Holland, and Penang.

Tools and Apparatus for Mining.—Total: 1938, fl.10,541,904; 1937, fl.8,574,654. Sources: Holland (58 per cent), United States (28·1), United Kingdom (5·6), Germany (5). Other suppliers included Sweden, Singapore, France, Japan, Austria, Hungary, Belgium and Luxembourg, Switzerland, and Australia. Imports from Canada in 1937 were valued at fl.4,315.

Mechanical Tools and Parts, n.o.s.—Total: 1938, fl.1,760,571; 1937, fl.1,583,407. Sources: Germany (57·4 per cent), United States (15·4), Holland (7·8), United Kingdom (4·6), Japan (4·2). Other suppliers included France, Singapore, Hongkong, China, Czecho-

Slovakia, Sweden, Belgium and Luxembourg, Penang, Canada (655 kilos valued at fl.1,792; 1937, not mentioned), Finland, Italy, and China.

Posts for Electrical Conduits and Accessories.—Total: 1938, fl.1,390,686; 1937, fl.946,766. Sources: Germany (49.2 per cent), Holland (34.4), Czecho-Slovakia (7.5), Hungary (5). Other suppliers were United States, France, Sweden, and United Kingdom. In 1937 Canada was credited with fl.1,721.

Automobile Batteries.—Total: 1938, fl.499,672; 1937, fl.562,762. Sources: United States (26.4 per cent), Germany (24.7), United Kingdom (19.9), Holland (14.2), Japan (6.6), Sweden (3.7). Other suppliers included Canada (21,046 kilos valued at fl.9,573; 1937, fl.6,776). Australia, and Singapore.

Office Appliances and Parts.—Total: 1938, fl.230,161; 1937, fl.336,716. Sources: United States (66.5 per cent), Sweden (13.7), Germany (9.6), Switzerland (4.7). Other suppliers included Holland, Czecho-Slovakia, and Hongkong. In 1937 imports from Canada were valued at fl.1,894.

Cutlery, including Razor Blades.—Total: 1938, fl.221,539; 1937, fl.247,171. Sources: United Kingdom (44.8 per cent), Germany (44.4), United States (3.2). Other suppliers were Japan, Canada (490 kilos valued at fl.4,941; 1937, not mentioned), and Holland.

Household Appliances and Parts.—Total: 1938, fl.1,039,238; 1937, fl.775,998. Sources: United States (66 per cent), Sweden (16.6), Germany (11.6), Holland (2.5). Other suppliers included The Philippines, Czecho-Slovakia, United Kingdom, Japan, Switzerland, and Singapore. In 1937 imports from Canada were valued at fl.6,010.

Machines and Apparatus, Miscellaneous.—Total: 1938, fl.964,071; 1937, fl.503,599. Sources: Holland (63.9 per cent), Germany (9.5), United States (8.9), Japan (6.5), United Kingdom (6.1), Sweden (2.6). Other suppliers were France, Switzerland, and Singapore. Imports from Canada in 1937 were valued at fl.2,054.

Photographic Cameras.—Total: 1938, fl.227,394; 1937, fl.124,826. Sources: Germany (65.6 per cent), United States (22), United Kingdom (4.8). Other suppliers included Holland, Singapore, Canada (fl.3,604; 1937, not mentioned), France, and Japan.

Petroleum Pressure Lamps and Parts.—Total: 1938, fl.483,226; 1937, fl.464,031. Sources: Germany (56.3 per cent), Sweden (31), United States (7.1). Imports from Canada were 303 units valued at fl.1,989 in 1937.

Tires for Automobiles.—Total: 1938, 52,935 units (fl.956,748); 1937, 53,561 units (fl.968,084). Sources: France (27.9 per cent), Germany (15.5), United States (25.2), United Kingdom (12.8), Canada (9), Japan (8.1), Singapore (1.3). Canada's share was 4,398 units valued at fl.85,917 (1937, 2,451 units valued at fl.51,199).

Tubes for Automobiles.—Total: 1938, 27,686 units (fl.81,933); 1937, 14,309 units (fl.40,146). Sources: Germany (24.8 per cent), United States (24.7), France (21.5), Canada (14.5), Japan (6.4), United Kingdom (5.3). Imports from Canada were 2,001 units valued at fl.11,926 (1937, 524 units valued at fl.2,466).

Tires for Motorcycles.—Total: 1938, 2,756 units (fl.16,241); 1937, 2,814 units (fl.16,416). Sources: United Kingdom (54.6 per cent), Canada (15.9), United States (15.5). Imports from Canada were 346 units valued at fl.2,592 (1937, 453 units valued at fl.3,367).

Rubber Hose.—Total: 1938, fl.222,164; 1937, fl.229,498. Sources: United States (48.2 per cent), Singapore (14.6), Germany (14.1), Japan (8.7), Holland (6), United Kingdom (3.7), Hungary (2.6). Canada supplied 4,660 kilos valued at fl.3,338 (1937, not mentioned).

Manufactured Rubber Goods.—Total: 1938, fl.208,584; 1937, fl.306,499. Sources: Germany (32.5 per cent), Japan (23.2), Singapore (16), United States (12.7), United Kingdom (11.7), Canada (3.3), Holland (2.1), Penang (1.6). Imports from Canada were 6,770 kilos valued at fl.6,982 (1937, 2,012 kilos valued at fl.2,593).

Belting.—Total: 1938, fl.402,904; 1937, fl.500,528. Sources: United Kingdom (29.7 per cent), Japan (16.7), Holland (16.4), Germany (12.9), United States (12.2), Singapore (5.7), France (3.2). Canada supplied 8,942 kilos valued at fl.9,551 (1937, 3,262 kilos valued at fl.5,050).

Packing, Miscellaneous.—Total: 1938, fl.717,526; 1937, fl.318,044. Sources: Holland (30.8 per cent), United States (22.6), United Kingdom (17), Germany (11.2), France (3.6). Other suppliers included Singapore, Hungary, Japan, Belgium and Luxembourg, Czecho-Slovakia, South Africa, Austria, and Canada (6,532 kilos valued at fl.1,287; 1937, not mentioned).

Fabrics of Other Composition, n.o.s.—Total: 1938, fl.238,744; 1937, fl.260,190. Sources: Holland (30.1 per cent), United Kingdom (15.4), Germany (15.3), United States (15.1), Japan (13.5), Czecho-Slovakia (3.4). Other suppliers were Australia, Belgium and Luxembourg, Canada (1,074 kilos valued at fl.1,613; 1937, 707 kilos valued at fl.1,155), and Singapore.

Waxcloth, Plain.—Total: 1938, fl.369,800; 1937, fl.306,516. Sources: United States (57.6 per cent), Japan (15.8), Poland (9.5), United Kingdom (6), France (5.3), Holland (1.7), Germany (1.7). Other suppliers were Czecho-Slovakia, Canada (2,449 kilos valued at fl.1,689; 1937, 1,410 kilos valued at fl.1,109), and Singapore.

Canvas for Shoes.—Total: 1938, fl.674,949; 1937, fl.1,219,774. Sources: United States (76.7 per cent), Japan (16.4), Canada (3), Holland (1.6), United Kingdom (1.4). Canada's share was 18,829 kilos valued at fl.20,204 (1937, not mentioned).

EXPORTS FROM CANADA TO NEUTRAL COUNTRIES

In addition to being prohibited to the neutral countries contiguous to Germany or to countries under German occupation and control, which were listed in *Commercial Intelligence Journal* No. 1883 (March 2, 1940), page 347, the exportation from Canada of any goods is now prohibited, except under permit issued by or on behalf of the Minister of National Revenue, to the following neutral countries not directly contiguous to Germany or to countries under German occupation and control: Bulgaria, Estonia, Finland, Greece, Latvia, Norway, Roumania, Spain and Sweden.

The list of countries, to any of which it is now prohibited to export any goods from Canada without a permit, is as follows:—

Belgium	Greece	Lithuania	Spain
Bulgaria	Hungary	Luxemburg	Sweden
Denmark	Italy	Netherlands	Switzerland
Estonia	Latvia	Norway	U.S.S.R. (Russia)
Finland	Liechtenstein	Roumania	Yugoslavia

It is to be noted that there is no exemption for goods valued at not more than \$25 as stated in the notice referred to above.

Application forms for permission to export goods to the countries named may be obtained on direct application to the Department of National Revenue. Applicants for permits shall furnish in respect to each proposed shipment for export to the countries named information in writing in the manner and form approved by the Minister of National Revenue.

TARIFF CHANGES AND TRADE REGULATIONS**United Kingdom****LICENSING REGULATIONS****BUTTER**

The Animal Products Trade Commissioner in London writes that, at the request of the Ministry of Food, the Board of Trade have issued an Order (Import of Goods (Prohibition) (No. 7) Order, 1940) adding butter to the list of commodities the importation of which is prohibited except under licence.

The Ministry of Food wish to emphasize that the purpose of the Order is to enable the Ministry to secure a proper control of the commodities, in order to regulate the trade in the manner best calculated to serve the national interest.

The Order will come into force on March 2, 1940, but any goods covered by the Order which are proved to the satisfaction of the Customs authorities to have been despatched to the United Kingdom before the Order came into force will not require a licence.

Importers are warned that no open general licence permitting the import without specific licences of butter from Eire or from Empire countries generally has been issued.

DATE ADVANCED FOR APPLICATION OF IMPORT RESTRICTIONS

With reference to the article in *Commercial Intelligence Journal* No. 1885 (March 16, 1940), page 423, Mr. Frederic Hudd, Chief Canadian Trade Commissioner in the United Kingdom, in a cablegram of March 21 advised that the despatch date for cereals, breakfast foods and canned macaroni had been advanced from March 25 to March 21.

Ireland**IMPORT QUOTAS**

Mr. James Cormack, Canadian Trade Commissioner in Dublin, advises that, by nine Government Orders (all dated February 27, 1940) further quotas and quota periods have been fixed for importation into Eire of the following

items in the quantities stated; the period fixed for these quotas extends from April 1, 1940, to September 30, 1940:—

	New Quota Number	Quota for Previous 6 Months Number
Certain pneumatic tires for motor cars	2,000	2,000
Certain pneumatic tires for bicycles	30,000	45,500
Leather boots and shoes	300,000	300,000
Certain rubber boots and shoes	100,000	80,000
Inner tubes for motor car tires	2,000	2,000
Inner tubes for bicycle tires	15,000	28,000
Certain heeled rubber shoes	10,000	5,000

The period fixed for the under-mentioned quotas extends from April 1, 1940, to June 30, 1940:—

	New Quota	Quota for Previous 3 Months
Ladies felt hats (under 12s. 9d. each)	40,000	40,000
Metal screws (slotted heads and tapered threads) Gross	55,000	55,000

In the case of metal screws, 54,000 gross must come from the United Kingdom or Canada, which is the same quota as was allotted for the previous three months.

EXCHANGE CONDITIONS IN EMPIRE AND FOREIGN COUNTRIES

Hongkong

P. V. McLANE, CANADIAN TRADE COMMISSIONER

Hongkong, February 26, 1940.—Foreign exchange is readily available in Hongkong at market rates from the several banks authorized by the Hongkong Government, provided applicants are able to show that such exchange is required for the payment of bona fide imports. There is no difficulty, therefore, in securing the necessary funds for the payment of Canadian imports.

Sweden

T. J. MONTY, ASSISTANT TRADE COMMISSIONER

Oslo, February 28, 1940.—Effective February 26, Sweden has instituted full control over foreign exchange transactions as a result of recent depletions in the country's foreign exchange reserves.

This legislation, which gives the Riksbank a monopoly over exchange purchases and sales, is designed primarily to stem the drain on reserves by control over capital movements, trade in currency and securities and speculation. It does not include regulation of imports. Securing the import of vital commodities and necessities for defence is, however, one of the main objects in economizing existing exchange resources. [Import licensing has been instituted since this report was written.—Ed.]

Exchange is to be made available for specified purposes, such as payment for imports, freights, insurances, commissions, debt service, and for limited travel expenses. Commercial banks, postal authorities and certain travel bureaus are to assist the Riksbank, and are authorized to sell foreign exchange at a charge of 1 pro mille.

All exchange transactions are to be subject to approval, before which the authorities are to be satisfied that the exchange requirements cover legitimate transactions.

Authority is given the Riksbank to requisition foreign exchange resources and foreign credits, registration of these holdings having been made compulsory; but neither this step nor control of trade is expected to be taken without special legislation to that effect when it should become necessary.

FOREIGN EXCHANGE QUOTATIONS: WEEK ENDING MAR. 26, 1940

The Foreign Exchange Division of the Bank of Canada has furnished the following statement of the nominal closing quotations for all the principal exchanges for the week ending Tuesday, March 26, 1940, and for the week ending Monday, March 18, 1940, with the official bank rate:—

Country	Unit	Present or Former Gold Parity	Nominal Quotations in Montreal Week ending March 18	Nominal Quotations in Montreal Week ending March 26	Official Bank Rate
Belgium	Belga	.1001	\$.1887	\$.1888	2
Bulgaria	Lev	.0072	.....	.....	6
Denmark	Krone	.2680	.2143	.2143	5½
Finland	Markka	.0252	.0163	.0172	4
France	Franc	.0392	.0235	.0227	2
Great Britain	Pound	4.8666			
	Buying		4.4300	4.4300	2
	Selling		4.4700	4.4700	—
Greece	Drachma	.0130	.0079	.0077	6
Holland	Guilder	.4020	.5893	.5893	3
Hungary	Pengo	.1749	.3227	.3227	4
	Unofficial		.1952	.1952	—
Italy	Lira	.0526	.0560	.0560	4½
Yugoslavia	Dinar	.0176	.0249	.0249	5
Norway	Krone	.2680	.2521	.2521	4½
Portugal	Escudo	.0442	.0383	.0381	4-4½
Roumania	Leu	.0060	.....	.....	3½
Spain	Peseta	.1930	.1078	.1078	5
Sweden	Krona	.2680	.2644	.2643	5
Switzerland	Franc	.1930	.2489	.2489	1½
United States	Dollar	1.0000			
	Buying		1.1000	1.1000	1
	Selling		1.1100	1.1100	—
Mexico	Peso	.4985	.1849	.1848	3
Cuba	Peso	1.0000	.....	.....	—
Guadeloupe	Franc	.0392	.0235	.0227	—
Jamaica	Pound	4.8666	4.4800	4.4800	—
Martinique	Franc	.0392	.0235	.0227	—
Other British West Indies	Dollar	1.0138	.9313	.9313	—
Argentina	Peso (Paper)	.4245	.3304	.3304	3½
	Free		.2603	.2586	—
Brazil	Milreis (Paper)	.1196	.0673	.0673	—
	Free		.0558	.0558	—
British Guiana	Dollar	1.0138	.9313	.9313	—
Chile	Peso	.1217	.0573	.0573	3-4½
	Export		.0444	.0444	—
Colombia	Peso	.9733	.6343	.6336	4
Peru	Sol	.2800	.....	.....	6
Venezuela	Bolivar	.1930	.....	.....	—
Uruguay	Peso	1.0342			
	Controlled		.7307	.7307	—
	Uncontrolled		.4330	.4346	—
South Africa	Pound	4.8666	4.4600	4.4600	3½
Egypt	Pound (100 Piastres)	4.9431	4.5800	4.5800	—
China (Shanghai)	Dollar	.....	.0710	.0684	—
Hongkong	Dollar	.....	.2571	.2478	—
India	Ruppee	.3650	.3359	.3359	3
Japan	Yen	.4985	.2602	.2602	3.29
Java	Guilder	.4020	.....	.....	—
Thailand (Siam)	Baht (Tical)	.4424	.3807	.....	—
Straits Settlements	Dollar	.5678	.5231	.5250	—
Australia	Pound	4.8666	3.5800	3.5800	3
New Zealand	Pound	4.8666	3.5900	3.5900	4

The Dominion Bureau of Statistics has supplied the following note:—

Between March 19 and 20, open market rates at New York for the British pound fell from \$3.75½ to \$3.71½ in terms of the United States dollar, but recovered to \$3.72½ by the 23rd. Although no new developments were reported, the decline was then resumed, and by March 25 sterling had dropped to \$3.68½, the lowest level since September, 1931. The Canadian dollar also weakened and the New York free market rate was quoted at a discount of 19 per cent at the close of the week, a new 1940 low which marked a net loss of one cent on the week. French francs followed much the same pattern as sterling, while currencies of countries neutral in the last war held mostly steady. The official buying and selling rates for sterling and United States dollars remained unchanged at \$4.43-\$4.47 and \$1.10-\$1.11, respectively.

TRADE OPPORTUNITIES ABROAD FOR CANADIAN PRODUCTS

The Trade Inquiries for Canadian products published below have been received since the publication of the last issue of the *Commercial Intelligence Journal*. Interested exporters may secure the names and addresses of the firms making these inquiries, together with further details regarding the commodities required, on application to the Director, Commercial Intelligence Branch, Department of Trade and Commerce, Ottawa, or—

Secretary, Board of Trade—

Saint John, N.B.
Halifax, N.S.
Quebec, P.Q.
Montreal, P.Q.
Toronto, Ont.
Chatham, Ont.

Guelph, Ont.
Kitchener, Ont.
Brantford, Ont.
Stratford, Ont.
Woodstock, Ont.
St. Mary's, Ont.

Portage la Prairie, Man.
St. Boniface, Man.
Winnipeg, Man.
Vancouver, B.C.
New Westminster, B.C.

Secretary, Chamber of Commerce—

Sherbrooke, P.Q.
Kingston, Ont.
Oshawa, Ont.
Belleville, Ont.

Peterborough, Ont.
London, Ont.
St. Catharines, Ont.
Hamilton, Ont.

Victoria, B.C.
Prince Rupert, B.C.

Windsor Chamber of Commerce, Windsor, Ont.

Commercial Intelligence Service, Department of Municipal Affairs, Trade and Commerce, Quebec.

Department of Industry, Brantford, Ont.

Industrial Commissioner, Stratford, Ont.

La Chambre de Commerce de Montréal, 25 St. James E., Montreal, P.Q.

Secretary, Canadian Manufacturers Association—

Toronto, Ont.
Montreal, P.Q.

Winnipeg, Man.
Edmonton, Alta.

Vancouver, B.C.
Victoria, B.C.

Director, Bureau of Industrial and Trade Extension, Department of Trade and Industry, Victoria, B.C.

Canadian exporters should, for follow-up purposes, transmit a copy of any reply sent in response to a Trade Inquiry to the Trade Commissioner in the territory from which the inquiry emanated.

Commodity	No.	Location of Inquirer	Purchase or Agency
Miscellaneous—			
Silk Hosiery.....	227	Lisbon, Portugal.....	Purchase.
Artificial Silk Yarns.....	228	Lisbon, Portugal.....	Purchase.
Shirtings.....	229	Sydney, Australia.....	Agency.
Dolls and Toys of Celluloid.....	230	Lisbon, Portugal.....	Purchase.
Artificial Leather.....	231	Lisbon, Portugal.....	Purchase.
Furs.....	232	Lisbon, Portugal.....	Purchase.
Galalith in Sheets, for the Manu- facture of Buttons and Combs..	233	Lisbon, Portugal.....	Purchase.
Stockholm Tar.....	234	Sydney, Australia.....	Purchase or Agency.

COMMERCIAL INTELLIGENCE SERVICE

L. D. WILGRESS, *Director*

Argentina

J. A. STRONG, B. Mitre 430, Buenos Aires (1). (Territory includes Uruguay.) *Cable address, Canadian.*

Australia

Sydney: L. M. COSGRAVE. Address for letters—P.O. Box No. 3952V. Office—City Mutual Life Building, Hunter and Bligh Streets. (Territory includes the Australian Capital Territory, New South Wales, Queensland, Northern Territory and Dependencies.) *Cable address, Canadian.*

Melbourne: FREDERICK PALMER, 83 William Street, Melbourne, C.I. (Territory includes States of Victoria, South Australia, Western Australia, and Tasmania.) *Cable address, Canadian.*

Belgium and Luxemburg

YVES LAMONTAGNE, Commercial Attaché, Shell Building, 60 rue Ravenstein, Brussels. *Cable address, Canadian.*

Brazil

L. S. GLASS. Address for letters—Caixa Postal 2164, Rio de Janeiro. Office—Ed. Da. "A. Noite," Sala 802, Praca Maua. *Cable address, Canadian.*

British India

PAUL SYKES. Address for letters—P.O. Box 886, Bombay. Office—Gresham Assurance House, Mint Road, Bombay. (Territory includes Burma and Ceylon.) *Cable address, Canadian.*

British Malaya

J. L. MUTTER, Union Building, Singapore, Straits Settlements. (Territory includes the Straits Settlements, the Federated Malay States, the Unfederated Malay States, Thailand, British Borneo, and Netherlands India.) *Cable address, Canadian.*

British West Indies

Trinidad: M. B. PALMER. Address for letters—P.O. Box 125, Port of Spain. Office—Barclay's Bank Building. (Territory includes Barbados, Windward and Leeward Islands, and British Guiana.) *Cable address, Canadian.*

Jamaica: F. W. FRASER, P.O. Box 225, Kingston. Office—Canadian Bank of Commerce Chambers. (Territory includes the Bahamas and British Honduras.) *Cable address, Canadian.*

China

V. E. DUCLOS. Address for letters—P.O. Box 264, Shanghai. Office—Ewo Building, 27 The Bund, Shanghai. (Territory includes Central China and North China.) *Cable address, Canadian.*

Cuba

C. S. BISSETT. Address for letters—Apartado 1945, Havana. Office—Royal Bank of Canada Building, Calle Aguiar 367, Havana. (Territory includes Haiti, the Dominican Republic, and Puerto Rico.) *Cable address, Canadian.*

Egypt

HENRI TURCOT. Address for letters—P.O. Box 1770, Cairo. Office—22 Shari Kasr el Nil, Cairo. (Territory includes the Sudan, Palestine, Cyprus, Iraq, Syria, Iran, Greece, Turkey, Bulgaria, and Roumania.) *Cable address, Canadian.*

France

HERCULE BARRÉ, Commercial Attaché, 3 rue Scribe, Paris (9). (Territory includes French Colonies in North Africa.) *Cable address, Cancomac.*

Hongkong

P. V. McLANE. Address for letters—P.O. Box 80, Hongkong. Office—Hongkong and Shanghai Bank Building, Hongkong. (Territory includes South China, the Philippines, and Indo-China.) *Cable address, Canadian.*

Ireland

JAMES CORMACK, 66 Upper O'Connell Street, Dublin, Ireland (*cable address, Canadian*); and 36 Victoria Square, Belfast, Northern Ireland.

Italy

A. B. MUDDIMAN, Via Manzoni Nr. 5, Milan (102). (Territory includes Spain, Portugal, Gibraltar, Malta, Albania, and Yugoslavia.) *Cable address, Canadian.*

CANADIAN GOVERNMENT TRADE COMMISSIONERS—*Con.*

Japan

C. M. CROFT, Commercial Secretary. Address for letters—P.O. Box 18, Akasaka Post Office, Tokyo. Office—Canadian Legation, 16 Omotecho, 3-chome, Akasakaku, Tokyo. *Cable address, Canadian.*

Mexico

R. T. YOUNG. Address for letters—Apartado Num. 126-Bis, Mexico City. Office—Edificio Banco de Londres y Mexico, Num. 30, Mexico City. (Territory includes Guatemala, Honduras, and Salvador.) *Cable address, Canadian.*

Netherlands

J. A. LANGLEY, Commercial Attaché, Coolsingel 111b, Rotterdam. (Territory includes Switzerland.) *Cable address, Canadian.*

New Zealand

W. F. BULL. Address for letters—P.O. Box 33, Auckland. Office—Yorkshire House, Shortland Street, Auckland. (Territory includes Fiji and Western Samoa.) *Cable address, Canadian.*

Norway

RICHARD GREW, Stortingsgaten 28, Oslo. (Territory includes Sweden, Denmark, and Finland.) *Cable address, Canadian.*

Panama

H. W. BRIGHTON. Address for letters—P.O. Box 222, Panama City. Office—98 Central Avenue, Panama City. (Territory includes the Canal Zone, Venezuela, Colombia, Nicaragua, and Costa Rica.) *Cable address, Canadian.*

Peru

M. J. VECHSLER. Address for letters—Casilla 1212, Lima. Office—Edificio Boza, Carabaya 831, Plaza San Martin, Lima. (Territory includes Bolivia, Ecuador, and Chile.) *Cable address, Canadian.*

South Africa

Cape Town: J. C. MACGILLIVRAY. Address for letters—P.O. Box 683. Office—New South African Mutual Buildings, 17 Parliament Street. (Territory includes Cape Province and Southwest Africa, Natal, Tanganyika, Kenya, Uganda, Mauritius, and Madagascar.) *Cable address, Cantracom.*

Johannesburg: J. H. ENGLISH. Address for letters—P.O. Box 715. Office—Prudential Assurance Building, 92 Fox Street. (Territory includes Transvaal, Orange Free State, the Rhodesias, Portuguese East Africa, Mozambique, and Nyasaland.) *Cable address, Cantracom.*

United Kingdom

London: FREDERIC HUDD, Chief Trade Commissioner in the United Kingdom, Canada House, Trafalgar Square, S.W.1. *Cable address, Sleighing, London.*

London: G. R. HEASMAN, Trade Commissioner, Canada House, Trafalgar Square, S.W.1. (Territory includes Home Counties, Southeastern Counties, and East Anglia; also British West Africa.) *Cable address, Sleighing, London.*

London: W. B. GORNALL, Fruit Trade Commissioner, Aldine House, Bedford Street, Strand, W.C.2. *Cable address, Canfrucum.* (Territory—for fresh fruit only—includes United Kingdom, Norway, Denmark, Sweden, France, Holland, and Belgium).

London: G. R. PATERSON, ANIMAL PRODUCTS TRADE COMMISSIONER, Canada House, Trafalgar Square, S.W.1. *Cable address, Agrilson.*

Liverpool: A. E. BRYAN, Martins Bank Building, Water Street. (Territory includes North of England, Lincolnshire, North Midlands, and North Wales.) *Cable address, Canadian.*

Bristol: E. L. MCCOLL, Northcliffe House, Colston Avenue. (Territory includes West of England, South Wales, and South Midlands.) *Cable address, Canadian.*

Glasgow: G. B. JOHNSON, 200 St. Vincent Street. (Territory covers Scotland.) *Cable address, Cantracom.*

United States

New York City: D. S. COLE, British Empire Building, Rockefeller Center. (Territory includes Bermuda.) *Cable address, Cantracom.*

Chicago: W. J. RIDDIFORD, Tribune Tower, 435 North Michigan Avenue. *Cable address, Canadian.*

Los Angeles: B. C. BUTLER, Associated Realty Building, 510 West Sixth Street. *Cable address, Canadian.*

Note.—Bentley's Second Phrase Code is used by Canadian Trade Commissioners.

Can
1

COMMERCIAL INTELLIGENCE JOURNAL

Vol. LXII

Ottawa, April 6, 1940

No. 1888



"Dry" End Paper Machines in Operation in a Canadian Paper Mill

ISSUED BY AUTHORITY OF
THE HON. W. D. EULER, MINISTER OF TRADE AND COMMERCE
JAMES G. PARMELEE, DEPUTY MINISTER



CONTENTS

	Page
Promotion of United Kingdom Export Trade	503
New Regulations Governing Payment for United Kingdom Exports	505
New Trade Commissioner Offices in the United States.....	506
Agriculture in Ireland in 1939	506
Summary of the Trade of Canada: February.....	512
Australian Tariff Changes in 1939.....	513
Planned Industrialization in South Africa	516
Business Conditions in Southern Rhodesia in 1939.....	517
Foreign Trade of India, April-December, 1939.....	519
Economic Conditions in Belgium—II.....	521
Tariff Changes and Trade Regulations	528
Foreign Exchange Quotations	531
Trade Inquiries for Canadian Products	532
Commercial Intelligence Service	533

COMMERCIAL INTELLIGENCE JOURNAL

Issued Every Saturday by the Department of Trade and Commerce

PUBLISHED in English and French. Subscription Price for either edition: \$1 per annum in Canada (single copies 5 cents each); \$3.50 outside the Dominion (single copies 10 cents each). Remittances, which may be made by Post Office or Express Orders, or Drafts, or Cheques, payable at par in Ottawa, should be addressed to the King's Printer, Government Printing Bureau, Ottawa.

Vol. LXII

Ottawa, April 6, 1940

No. 1888

PROMOTION OF UNITED KINGDOM EXPORT TRADE

FREDERIC HUDD, CHIEF CANADIAN TRADE COMMISSIONER
IN THE UNITED KINGDOM

London, March 11, 1940.—Reference has been made in previous reports to the general recognition of the vital importance of maintaining and expanding the export trade of the United Kingdom as a major contribution to the war effort, and to the appointment by the Government of an Export Council to study the whole question and devise means of achieving the object in view.

The Export Council has now published a statement setting forth its aims and program, which are designed to promote the greatest volume of export trade that can be built up under war conditions. Their duty is to ensure that every agency concerned, whether Government, manufacturer or exporter, makes every effort to attain this objective, and they will recommend to the Government any measures they may find necessary or desirable. The Council approach their task from the standpoint that the maintenance of export trade is so vital a factor in the war effort of the allied powers that no measure calculated to contribute to that end should be excluded from consideration.

Nevertheless, the Council take the view that there are powerful reasons why the strongest preference should be given to measures which involve the least interference with the existing channels of trade or with established practices and principles. In particular, the Council wish to endorse the view of the executive members that the more the arrangements adopted for war export trade are built on the normal structure of trade the sounder and healthier will be the state of the trading organism at the end of the war, when further critical and testing conditions are likely to be encountered.

The Council point out that the first aim of export industries and merchants, as well as of the Export Council, should be to secure such adjustments of the machinery created to deal with the wartime economic responsibilities of the state as will effectively overcome impediments to export trade. In this task the Council are already assured of the vigorous co-operation of all the Ministers and Departments concerned.

Further, it is essential that under war conditions exporters should receive direction, guidance and support from the Government to a degree never contemplated under peace conditions. If export trades, including both manufacturers and merchants, are organized or will organize themselves so as to make it possible for them to work with the Export Council in securing the necessary adjustments in the wartime machinery of trade and so as to profit effectively from the direction, guidance and support which the Government are ready to give, the general situation internally and externally is such that the Council are confident a substantial increase of exports can be achieved. Should exceptional circumstances arise in particular trades or over the whole field, the Council place no limit to the expedients they would be prepared to consider.

At the same time the Council wish to emphasize that for reasons of limitation of supplies, if for no other, the export trade necessary to win the war can only be achieved by some diversion from the home market. They know that industry as a whole is prepared for this, and if the home consumer finds that he cannot obtain the goods he needs, or the less necessary commodities, in their pre-war quantities and qualities, it will be because of the requirements of export trade. In this way the home consumer, no less than the manufacturer and the export merchant, can make a direct contribution to the war effort of the nation.

WAR EXPORT INDUSTRIES GROUPS

Each industry in considering export development has problems of raw materials, prices, distribution and markets which are highly specialized. The Export Council therefore regard it as vital that there should be an export committee or group in individual industries. The Council will co-operate with such groups, and delegate to them the detailed work with individual firms which is involved in the national export drive. Existing trade organizations and Chambers of Commerce will, it is hoped, take the initiative in forming these groups, but affiliation with the group must be open to all on equal terms.

An executive member of the Export Council will personally discuss with each group the main lines of the wartime export policy of its trade. The questions which arise may include considerations relating to particular markets, foreign exchange, political and commercial relations, and questions of economic warfare. These and all other aspects of the problem will be thoroughly covered and guidance given to the industry concerned. A liaison will be organized between the group and the Board of Trade for supervising the day-to-day operation of the agreed measures, and, where necessary, machinery will be created to deal with the allocation of raw materials for export orders under plans worked out with the Ministry of Supply and the appropriate Controllers. Whatever may be involved in achieving the objective, whether it be the organization of production as between export and other orders or the co-ordination of the efforts of individual units, will be similarly carried through by the export group with the central aid and stimulus of the Export Council and the Board of Trade.

The executive members have already opened discussions with certain industries with a view to action on these lines. An export group for the woollen and worsted industries has already been formed, and similar groups will shortly be set up in the cotton, iron and steel, and automobile industries. No time will be lost in extending the field of these discussions to other industries; meanwhile the Council hope that exporters and trade organizations not yet approached will themselves actively prepare for consultation with the Council. To achieve satisfactory results the Council must deal with any trade as a whole, or as nearly as possible on that basis. That is not an easy matter to arrange in every case. Facts and figures have to be assembled before practical discussion with an executive member of the Export Council can usefully be started. However, the Council are willing to give immediate guidance as to the formation and conduct of export groups to any organization that approaches them.

TRADE PROMOTION METHODS

The Export Council are also examining a number of plans and suggestions for the promotion of export trade which will have the object of conferring a benefit or stimulus on export trade in general. Under this head may be mentioned such activities as publicity, propaganda on behalf of United Kingdom trade, market information and joint marketing. In addition, they hope to examine, with the co-operation of the appropriate authorities, suggestions relating to such matters as barter arrangements and trade negotiations, insurance

facilities for export trade, and a number of points bearing on the essentially practical problems of firm delivery dates and prices. It is recognized that the solution of some of these latter problems will vary from industry to industry, even after general principles have been settled.

The Export Council are convinced that time is the essence of success in this vital matter of export trade. The good-will that exists for British trade and the ready demand which still holds for many classes of goods provide the opportunity for success. In spite of the obstacles caused by war, the final aim must be an increased exchange of goods and services, to their mutual advantage, between the Allies and the countries which wish to trade with them.

The above explanation of the function of the Export Council shows that, while it is to lead and promote the export drive in all possible directions, it does not supplant the existing government departments concerned with export trade, such as the Department of Overseas Trade, which will continue to operate as before, reinforced by the Council's constructive activities.

NEW REGULATIONS GOVERNING PAYMENT FOR UNITED KINGDOM EXPORTS

FREDERIC HUDD, CHIEF CANADIAN TRADE COMMISSIONER IN
THE UNITED KINGDOM

London, March 12, 1940.—Under an amendment to the United Kingdom Defence (Finance) Regulations, provision is being made to ensure that the proceeds arising from the sale of certain exports from the United Kingdom and other Empire countries will in future be collected in the particular foreign currencies which are required to pay for necessary imports of foodstuffs and war materials.

The goods, destinations and currencies concerned are as follows:—

Goods—

Whisky, furs, tin, rubber, jute and jute manufactures.

Destinations—

All territories in or adjacent to the continent of America, with the exception of

- (a) Canada, Newfoundland and any other part of His Majesty's dominions,
- (b) Argentina,
- (c) Any dependency of the French Republic.

The Philippine Islands and all territories under the sovereignty of the United States of America.

Belgium, the Belgian Congo and Ruanda-Urundi.

The Netherlands and the Netherlands East Indies.

Switzerland.

Currencies—

Belgas, guilders, Netherlands East Indian guilders, Swiss francs, United States dollars.

Similar requirements have been imposed as regards the following:—

- India, for jute, jute manufactures and rubber.
- Burma, for rubber.
- British Colonies, for rubber, tin ore and smelted metal.

Where the terms of sale of such exports provide for payment in sterling, it must be shown that such sterling will be obtained by the sale, to an authorized dealer in foreign exchange, of the equivalent in one of the listed currencies. In such cases exporters should arrange with their customers that their sales contracts comply with this requirement.

Exporters of the enumerated goods from the United Kingdom to the territories named will be required to complete a form and present it to the Customs

at the time when the goods are pre-entered for export. The form provides for payment by the following methods:—

- (a) By a sterling bill drawn under a credit opened by the purchaser of the goods with bank in the United Kingdom; the credit to carry an undertaking by the purchaser to obtain the sterling required to meet the bill by a sale to the bank concerned of one of the listed currencies.
- (b) In sterling paid in the United Kingdom and obtained by the purchaser of the goods by a sale to a bank in the United Kingdom of one of the listed currencies.
- (c) In one of the listed currencies paid by draft, telegraphic transfer or otherwise to a bank in the United Kingdom or to its agent abroad for the account of such bank.

The new regulations come into force on March 25.

The main result achieved by this tightening-up of the exchange control regulations is that, whereas under the old system there was no check on the method of payment adopted by the foreign importer (i.e. he could, provided the goods were sold in sterling, purchase in the free, as distinct from the official, sterling market), he must in future use the official market or complete the transaction in his own currency. At the same time United Kingdom exporters may continue to invoice goods in sterling and finance their transactions by means of sterling bills.

NEW TRADE COMMISSIONER OFFICES IN THE UNITED STATES

Firms having dealings with the United States are asked to note that new offices of the Commercial Intelligence Service have been established at Chicago and Los Angeles.

Exporters desiring to avail themselves of the services of these new offices should communicate direct with the Trade Commissioners in charge, whose names and office addresses appear on the back pages of the *Commercial Intelligence Journal*. When seeking assistance of these new offices, exporters should outline briefly the dealings, if any, they have already had with United States firms in order to eliminate possible duplication of effort and so that the new offices will have a record on file to serve as a guide in approaching United States buyers.

AGRICULTURE IN IRELAND IN 1939

JAMES CORMACK, CANADIAN TRADE COMMISSIONER

Dublin, February 22, 1940.—In January of last year a representative Commission on Agriculture was set up by the Minister for Agriculture for the purpose of considering and recommending measures for promoting and maintaining increased agricultural production in the national interest. An interim report recommended, among other things, the abolition of the Pigs and Bacon Marketing Boards and the establishment of a new joint body with similar interests. This was followed almost immediately by the introduction of legislation to that effect. There was also established an Agricultural Production Consultative Committee, representing a wide range of interests, which was speedily called into conference with the Minister for Agriculture.

In the autumn of 1939 the farmers were very hopeful of improved conditions, chiefly owing to the likelihood of a European war and the probability of immediate and substantial increases in the prevailing low prices of agricultural products. These have not yet materialized, because the British authorities upon the outbreak of war controlled the imports of all foodstuffs and have decided that, if at all possible, there shall be no profiteering during this war. So far as Eire is concerned, these officials were and are in a position to dictate their own terms so long as large alternative markets in South America, Denmark,

the United States, and Canada continue to supply Great Britain, and so long as this country is dependent on Great Britain for important supplies of raw materials necessary for industry, animal feed and other purposes.

After many meetings in London between representatives of the Governments of the United Kingdom and Eire, the former Government gave way to Eire in the matter of computing the price of fat cattle dead weight in England and in increasing fixed prices commensurate with increased cost of maize and other feed. Details of the results of these negotiations (finally settled in January, 1940) will be given under their appropriate headings.

At the outbreak of war the need for larger production of home-grown food-stuffs became more evident, and in October a Compulsory Tillage Order was adopted by the Oireachtas. This required that at least 12·5 per cent of the arable land on every holding over ten acres in extent be cultivated. The Order will be enforced during 1940 with the object of making the country self-supporting in the matter of farm produce. To provide for the purchase of agricultural implements and machinery required in connection with the tillage regulations, the Minister for Agriculture has arranged for the issue of loans at 5 per cent per annum.

According to agricultural statistics as of June 1, 1939, the actual and percentage increases in the principal crops and live stock were: wheat, 24,854 acres (10·8 per cent); hay, 25,004 acres (1·2 per cent); heifers in calf, 19,787 (30·9 per cent); other cattle, two years old and under three, 8,906 (1·6 per cent); ducks, 87,793 (5·6 per cent).

The actual percentage decreases in the principal crops and live stock were: oats, 33,665 acres (5·9 per cent); barley, 44,059 acres (37·4 per cent); potatoes, 9,810 acres (3 per cent); turnips, 1,776 acres (1·2 per cent); sugar beet, 9,520 acres (18·6 per cent); milch cows, 21,665 (1·7 per cent); sheep, 148,788 (4·7 per cent); pigs, 27,898 (2·9 per cent); turkeys, 136,571 (11·9 per cent); geese, 19,755 (2·1 per cent). The area under ploughed land decreased by 76,271 acres, or 4·9 per cent; hence the need for the Compulsory Tillage Law of 1939.

CATTLE

Cattle-raising is and always will be the most important branch of Irish agriculture, because the soil and climate are ideal for this purpose. The results of price agreements between Great Britain and Eire (concluded this month) affect the trade in fat cattle only. Trade in other kinds is unrestricted.

Briefly, Irish fat cattle exported to Great Britain are to be paid for at approximately the prices prevailing for domestic stock, which are considerably better than the pre-war 1939 rates. The British Ministry of Food will take over all the fat cattle exported, paying therefor on a dead-weight basis according to classification and grade.

PRICES FOR FAT CATTLE

The following are the prices per pound dead weight which will be paid for cattle by the Ministry of Food until further notice:—

	d.
Bullocks, heifers and cow heifers—	
1st quality	10
2nd quality	9½
Fat cows—	
1st quality	7½
2nd quality	6½
3rd quality	5½
Fat bulls—	
1st quality	7½
2nd quality	7
3rd quality	5½

The above scales of prices will apply only to stock eligible for one or other of the classes set forth. Inferior animals, not fit to be included in any of the classes, will be rejected by the agents of the Ministry of Food, but may, if the shipper's agent so desires, be slaughtered and paid for at realized rates.

It is understood that the Ministry of Food will take the responsibility for condemnations at the slaughter-house in the case of all stock accepted by their agents at the port of entry. This implies that in the case of stock rejected at the ports by the agents of the Ministry of Food all risks of whole or part condemnations are for consignor's account.

SHEEP

The export of sheep to Great Britain was regulated in January, 1940, in conjunction with cattle, and the control operates similarly.

Following are the prices, dressed carcass weight, agreed to be paid until further notice for sheep imported from Eire:—

	Per Pound
Lambs born in 1939	13½d.
Grown wether sheep	12d.
Fat ewes up to 64 lbs.	8d.
Fat ewes over 64 lbs.	7d.
Rams	7d.
Ewes fit only for manufacture	4d.
Rams fit only for manufacture	3d.

PIGS AND BACON

The market position of pigs and bacon in Eire was the subject of a special report published in *Commercial Intelligence Journal* No. 1879 (February 3, 1940), page 168. Since then the matter of the export of live pigs from Eire to the United Kingdom has been discussed by the two Governments, and a number of changes have been made in the arrangements, effective from January 15 last.

Live pigs may only be exported under licence, and it is understood that the prices per score of 20 pounds which will obtain in Britain on and after January 15 until further notice will be as follows: fat pigs up to 9 score dead weight, 18s. 6d. a score (103s. 8d. per cwt. as compared with the then Irish price of 94s. dead weight); pigs from 9 score 1 pound up to 10 score, 18s.; from 10 score 1 pound up to 11 score, 17s. 6d.; from 11 score 1 pound up to 12 score, 16s. 6d.; over 12 score, 16s.; rig pigs, 16s. 6d.; stag pigs, 12s. 6d.; sows, 15s.; and boars, 9s.

Bacon export prices have also been fixed and vary with the United Kingdom domestic price. The present price is around 111s. per cwt., or some 13s. over the normal 1939 price. Eire is expected to supply roughly 25,000 tons of bacon to the United Kingdom in 1940.

ANIMAL FEED

In 1938 Eire imported 350,000 tons of maize and 70,000 tons of oil cake, and produced from imported wheat 110,000 tons of mill offals. This indicates how dependent she is on sea-borne supplies for her live stock. During 1939 these supplies have come along fairly plentifully, and are now government controlled both as to purchase and distribution. Prices have risen considerably, and it is hoped to offset this situation in 1940 by increased local tillage and ensilage. The past season's hay crop was well below average, and there is likely to be a shortage in the spring of 1940. There has been a luxuriant growth of grass and after-grass, but the latter has been badly affected by January frosts and cold.

BEET

In 1939 the amount of beet grown in Eire was insufficient to keep the four refineries of the Irish Sugar Company busy, and about 50,000 tons of sugar was refined locally from imported raw sugar. This is a war phase, because formerly no raw sugar was imported direct into Eire. Now Cuba and Chile have been supplying unrefined brown sugar direct to Irish ports. The yield from Irish-grown beet ranged from 17 per cent to 17·5 per cent during the year. The total acreage sown to beet in Eire was roughly 40,000, producing nearly 400,000 tons of beet, which was converted into about 65,000 tons of sugar, or roughly about 50 per cent of the requirements of the country. Shortly after the outbreak of war there was a temporary heavy demand for sugar, and no supplies were available in the shops. The Government then fixed the retail price of sugar at 4½d. per pound—an increase of 1½d. per pound—and the situation immediately improved.

The price at which the Irish Sugar Company bought the 1939 crop averaged 49s. 6d. per ton, but the price is now controlled by the Government, and the 1940 crop price for the first time has been fixed at 60s. per ton net factory weight for pulp yielding 17·5 per cent of sugar. The dried pulp, about 1¼ cwt. for each ton of beet, is resold to the farmers for feed at a fixed price.

The Government has adopted measures to stimulate the growing of beet in 1940 and expects the acreage to increase to some 70,000, which, with the imported cane, should keep the refineries running full time.

POTATOES

During 1939 the export subsidy on Irish certified seed potatoes was unchanged from the previous year, being 17s. 6d. per long ton to all countries except Great Britain and the United States. The United Kingdom was exempt under the Trade Agreement of 1938, and the United States, because of the countervailing duties imposed in that country. The trade in seed has been steady at prices ranging from 70s. to 160s. per ton, according to variety.

There was a decrease in the 1939 potato crop as a result of a reduced acreage planted, and in November there was a decided shortage of supplies in the Dublin market. Normally any deficiency is made up by shipments from Northern Ireland, but owing to the war and the shortage of feed in the North, only a small quantity was received from that source except at the prevailing high price of £4 10s. per ton.

Potato-growing in Eire is still largely for table and seed use, but the government industrial alcohol factory purchases surplus and secondary potatoes at the fixed price of £2 per ton.

WHEAT

A report on the wheat and flour trade of Ireland was published in *Commercial Intelligence Journal* No. 1878 (January 17, 1940), page 148.

OATS

The acreage under oats as at June 1, 1939, was officially estimated at 536,749 as against 570,414 for the previous year, a decline of 5·9 per cent. This reduction was ill-timed owing to the shortage of feeding stuffs of all kinds. The 1939 crop, too, was slightly below the average in yield, and some of it was discoloured as a result of bad harvesting conditions. In October the price of oats was from 14s. to 17s. per barrel of 14 stones (one stone equals 14 pounds), but towards the end of the year the price was 20s. per barrel with little on offer, rising in January, 1940, to 35s. per barrel for pre-war supplies.

Seed oats were in heavy demand at the end of 1939 owing to the increased tillage scheme and to the fact that some farmers did not thresh their crop on account of the hay shortage.

Nearly 3,000 tons of Canadian seed oats were imported later from Canada, mostly "Victory" and "No. 2 Western," and also some 6,000 tons of feed and oats for oatmeal.

BARLEY

According to the official figures for the year ending June 1, 1939, the acreage sown to barley in Eire fell from 117,800 in 1938 to 71,900. Most of this reduction was occasioned by the Government's policy of subsidizing and encouraging wheat growers. The price of malting barley had not increased much for several years, despite increased cost of labour and living, and the crop, except for the feed admixture scheme, naturally suffered.

The price paid to growers for malting barley delivered to country malting houses in 1926 was only 14s. 6d. per barrel, but in that year the largest consumer (Messrs. Arthur Guinness, Son and Company) by arrangement raised the price to the more economic level of 18s. During 1939, however, the growers were obtaining a good return, and in September brewers were buying freely the home-grown barley at an average price of 24s. per barrel. The same firm, which uses some 400,000 barrels in Dublin, undertook to continue to pay that price in 1940 and to increase it, commensurate with increased government subsidies to wheat growers, so as to ensure continuing supplies from Eire. As the consumption of malting barley is some 40 per cent more than last year's crop, there may be a tendency to over-sow barley at the expense of wheat.

FLAX

Flax seed was freely offered in Eire from the United Kingdom early in 1939 at a lower price than was quoted for Canadian supplies, and considerable quantities were purchased. Owing to the war control in the United Kingdom, these supplies were not available to Eire in the fall, and efforts to obtain Canadian certified seed were abortive, because all the available supplies in the Dominion had been bought by or reserved for Northern Ireland. Arrangements were later made to obtain supplies from England to meet the requirements of the Eire flax production scheme.

At the beginning of 1939 the Government of Eire fixed the price of scutched flax at 10s. per stone for the 1939 crop, but the average 1939 price actually received was considerably more. The price fixed for the 1940 crop will average about 20s. per stone and should encourage planting.

FERTILIZERS

The outbreak of war found Eire short of fertilizers, and the Government took steps to restrict the distribution and export up to the end of the year in order to ensure that at least partial supplies would be available for the increased tillage scheme. Towards the end of the year, however, supplies of rock phosphate were obtained and also some superphosphate, which enabled local manufacturers to maintain restricted deliveries at a price roughly £1 per ton over September prices. It is probable that farmers will be able to obtain ample supplies of potash manures, and sulphate of ammonia will also be available at a reasonable price.

The Minister of Agriculture announced in December that the tillage scheme in operation last season, under which farmers could purchase certain fertilizers

from their local merchants and co-operative societies at reduced prices, would be re-introduced in the coming season with certain modifications.

BUTTER

In June, 1939, the Government of Eire fixed the minimum price of creamery butter at 136s. 6d. per cwt. if sold for cold storage and at 127s. and 131s. per cwt. if sold in more than or less than 30-cwt. lots, respectively. At the beginning of November the Government prohibited the export of butter, and during that month the whole of the exportable surplus (40,000 cwts.) was bought by the Minister of Agriculture of Eire from the creameries and later sold to the British Ministry of Food at 145s. per cwt. delivered. Hitherto the price had been approximately 129s. per cwt.

The position in certain northern border creameries prior to the prohibition order was different, since creameries in the counties of Cavan and Monaghan were selling their produce to Northern Ireland at 145s. per cwt. These creameries then came under the general scheme, and are obliged to sell their produce to the Butter Marketing Committee in Dublin, who will deal directly with the Minister of Food in Britain. This Minister will allocate a certain quantity to Northern Ireland. Creamery butter retails in Eire to-day at the fixed price of 1s. 6d. per pound.

The quantities of creamery and factory or other butter held in all public cold stores in Eire and on the premises of manufacturers of creamery and factory butter and of principal merchants, exclusive of the day-to-day stocks in the hands of shopkeepers, on December 1, 1939, were 128,753 cwts. and 8,870 cwts., respectively.

Eggs

At the outbreak of war the British Ministry classified eggs from Eire as "near European," in the same category as Danish and Dutch eggs. The wholesale price in England for best "home" eggs was then 24s. 6d. per great hundred as against 17s. for "near European."

To offset a portion of the 7s. 6d. difference, the Eire Exchequer pays an export bounty of 4s. per great hundred. As exports are small in winter, the burden of the bounty does not fall heavily on the Exchequer. Before the war, eggs from Eire sold at a price above Danish and sometimes only slightly under British. Producers are still hopeful that an official category may be created for eggs from Eire. Under it the price would be increased possibly to the level produced by the bounty—21s. per great hundred—which would still be 3s. 6d. below the Northern Ireland price.

In an effort to improve egg exports to the United Kingdom, the Agricultural Produce (Eggs) Act, 1939, was passed. This Act affected wholesalers, retailers and all dealers, requiring the marking, dating and grading of all eggs and providing for speedy marketing and regulated collection and disposal in order to ensure the freshness and good appearance of the eggs.

SEA FISHERIES

In October, 1938, the Government, through the Department of Agriculture, introduced a quota system to regulate and restrict the importation of fish. In 1939 the quotas were considerably reduced, and the alleged dumping of fish ceased. The prices, however, rose to such an extent that fish became a luxury.

AUSTRALIAN TARIFF CHANGES IN 1939

L. M. COSGRAVE, CANADIAN TRADE COMMISSIONER

Sydney, February 19, 1940.—During 1939 the Australian Commonwealth introduced a number of important tariff changes which have been reported from time to time. As a number of the tariff schedules introduced provide a useful indication of Australian policy for future development of secondary industries, it may be of interest to recapitulate chronologically the application of tariff changes during the year under review.

When the Australian Parliament assembled on April 19, 1939, two schedules of Customs Tariff Amendment, viz: Proposals No. 2 of May 4, 1938, and No. 6 of December 7, 1938, were submitted for validation purposes. It should be explained here that Australian tariff changes may be tabled before the Australian Parliament at any session of the House and the proposed duties are leviable as from the date of introduction. Such duties must, however, be finally ratified by the House of Representatives and the Senate within six months of such tabling, and in certain cases duties which have been operating for a lengthy period may be cancelled or rescinded as a result of an adverse vote by the Commonwealth Parliament.

The validation of the above schedules was not completed when introduced on April 19, as the House adjourned until May 3 for the purpose of enabling a new Government to be formed; consequently no time was available to debate item for item the validated schedule and pass it into law. It was necessary, therefore, to re-introduce the schedule as Amendment No. 7. Thus for twelve months duties under the earlier schedule were collected without debate.

CHANGES IN MAY

The December schedule of amendments embraced 97 items and sub-items of the tariff, those on which rates were increased relating chiefly to goods the manufacture of which has recently been undertaken in Australia or undertaken on a greatly expanded production. In such category were included a number of items of definite interest to Canada, namely electric washing machines, weather-proofed braided aerial cables, pencils and vacuum cleaners. Many of the decreases were nominal, the proposed rates closely approximating old duties after allowance had been made for exchange adjustment.

It is of interest to note that a number of the requests for increased duties had been refused by the Tariff Board as existing duties were, in their opinion, completely adequate to meet overseas competition, while other slight reductions obviously reflected an increased efficiency in Australian production.

The report of the Australian Minister for Customs when presenting the above tariff schedule emphasized that, during the fiscal year ended June 30, 1939, the estimated output from Australian factories would approximate £A.502,000,000. The amendments were agreed to on May 10, approved by the Senate for assent on May 20, and became the *Customs Tariff 1939*, the principal Act then becoming citable as *Customs Tariff 1933-39*.

AMENDMENTS IN SEPTEMBER

The Australian House of Representatives reassembled on September 6, and on September 8 the Minister for Customs tabled further amendments to the Customs Tariff 1933-39 and the Excise Tariff 1921-1938 with a view to raising an estimated additional revenue of £A.2,130,000 for wartime requirements over the balance of the fiscal year ending June, 1940. The schedules of amendments were Nos. 8 and 4, respectively. The tariff items affected were

beer, whisky, gin, rum, petrol, benzol, mineral lubricating oil, heavy fuel oil, and changes proposed were the withdrawal of by-laws on a selected number of lines and their transfer chiefly to by-law Tariff Item 434 at revenue rates, including primage, of 15 per cent British preferential tariff and 30 per cent general tariff.

The proposal to impose duties of Customs and Excise for the first time on fuel oil (4d. per gallon British preferential tariff and 4½d. intermediate and general tariffs) was rejected by the House of Representatives, the contention being that the duty would add burdens to primary production. Inadvertently, the whole of Item 229, which included petrol and lubricating oil, was put to the vote, and the whole item defeated. As this was obviously not the intention of Parliament it was necessary to re-introduce this item on September 21 as Proposal No. 11, exclusive of heavy oil, and in view of Parliament's attitude with respect to the customs duty, the excise duty was also withdrawn, and an Excise Tariff Amendment, No. 5, deleting sub-item "fuel oil," was introduced. All items in both proposals were agreed to, and Customs Proposals No. 8 and 11 became Customs Tariff (No. 3) 1939, and Excise Proposals Nos. 4 and 5 became Excise Tariff (No. 2) 1939, both measures bearing the date of December 15, 1939.

On September 14 two further schedules of amendments, numbered 9 and 10, were tabled in the House of Representatives, together with amendments of the Customs Tariff (Exchange Adjustment) Act, and the Customs Tariff (Canadian Preference) Act. Proposal No. 9 amended the schedule re-introduced on May 3, 1939. It was based upon Tariff Board reports, which had been promised by the previous Government when it originally tabled the re-introduced schedule (on May 3, 1938), and contained increases in the general tariff rates in consequence of the lifting of the trade diversion restrictions and also to safeguard capital investment incurred in industry as a direct result of those restrictions. The item of principal interest to Canada in the amending proposals was probably refrigerators. The Board had recommended a reversion to a general tariff ad valorem rate of 75 per cent, but owing to the large amount of capital invested and extensive employment given by the Australian industry, plus statistical evidence of increased importations from overseas, the Government voted to maintain the existing general tariff fixed rates with an alternative ad valorem rate of 75 per cent, the net effect of this proposal being a reduction of 10 per cent ad valorem under the British preferential tariff on unassembled parts.

The most important amendments in Proposal No. 10 dealt primarily with the textile provisions of the customs tariff. These recommendations followed an extensive inquiry by the Tariff Board, who in their recommendations definitely indicated that the woollen manufacturing industry in Australia was now sufficiently established to operate under lower rates of duty. Lower rates were, therefore, proposed by the Tariff Board in respect of woollen piece-goods, wool tops and yarns. This decision in regard to one of Australia's most important industries was regarded as an important declaration of Australian policy, but after considerable debate the House rejected the Tariff Board's proposals and rates remained unchanged.

Under Amendment No. 10 also, the Tariff Board reported that the high measure of protection given to glucose and corn flour should also be reduced in view of the evidence produced during the inquiry that local manufacturers had utilized the higher duties to support high levels of costs and selling prices. On the other hand, a protective duty was recommended on cotton condenser and cotton coconada yarns for use in towel manufacture as a measure of protection for recently-established spinning mills. Correspondingly, the rate of duty on finished imported towels was increased.

Additional new secondary industries were also granted protective duties in Amendment No. 10, including manufacturers of water bore casing, tap wrenches and certain types of die stocks. Manufacturers of tractor tires and tubes, tractor wheels and wheel centres were also granted protective duties.

To clarify the customs tariff position, the amendments contained in Proposal No. 9 were incorporated in No. 7 of May 3 as from September 15, the schedule of May 3, thus amended, becoming on September 26 *Customs Tariff (No. 2) of 1939*, while, as mentioned above, Proposal No. 10, with the exception of that part relating to lower duties on woollen piece-goods, became on December 15 *Customs Tariff (No. 4) 1939*. [In the earlier part of this report it was noted that *Customs Tariff (No. 3) 1939* also became law as of December 15, although introduced to the House prior to the above amendment.]

On September 22 two further schedules of amendments to the customs tariff, namely Nos. 12 and 13, were tabled. These dealt primarily with Tariff Board proposals to assist further new industries, indicating the Australian Government's trend towards self-sufficiency following the commencement of hostilities.

Schedule No. 12 contained recommendations for increased protective rates on such lines as fine printing and writing paper in certain sizes as manufactured in Australia, and on metallic capsules for bottles. The protection previously granted cotton drills, dungarees and jeans weighing over six ounces per square yard, for use in the manufacture of male outer clothing, was further extended to lighter weight fabrics weighing down to four ounces per square yard. Provision was also made for deferred rates of duty to apply to motor vehicle radiators, such deferred rates to operate when the bounty on Australian-made radiators expires in December, 1940. Reductions of duty were granted on hydro-extractors and variable resistances. This proposal became law on December 15 as *Customs Tariff (No. 5) 1939*.

Schedule No. 13 dealt primarily with the Ship Bounty Bill then under consideration by the House of Representatives, admission free of duty of ships of the class upon which bounty would be paid, and for the duty free admission of machinery, boilers and auxiliaries for such ships. The act covering these tariff proposals provided that the amendments therein would come into force to correspond with the operation of the bounty. It was further decided that the bounty to be paid in respect of iron and steel ships (other than ships of war) over 100 tons but not exceeding 1,500 tons gross register, would be at the rate of £A.12 10s. per ton on ships over 100 tons but not exceeding 750 tons, this rate to be reduced gradually so that on ships of 1,500 tons gross register the rate would be £A.10 per ton, bounty payments to be limited to £A.50,000 per annum. The tariff amendments became law on December 15 as *Customs Tariff (No. 6) 1939*.

AMENDMENTS IN NOVEMBER

Customs Tariff Amendment No. 14 was introduced on November 30. This amendment affected one item only, cinematograph films. The following duties were proposed: (1) unexposed sensitized films, 1d. per lineal foot, formerly free of duty except for primage; (2) positive films ready for exhibition, 1d. British preferential tariff and 5d. intermediate and general tariffs; (3) home cinematograph films, 1d. British preferential tariff and 1½d. intermediate and general tariffs. The House of Representatives, however, amended the foregoing recommendations by providing for the free admission from all countries of unexposed sensitized cinematograph films as prescribed by by-law, thus affording an important measure of relief to the local Australian film industry. This schedule became law on December 15 as *Customs Tariff (No. 7) 1939*.

At this same session of the House of Representatives an important Excise Tariff Proposal was submitted providing for a duty of 1d. per gallon on petrol

produced by the National Oil Proprietary Limited (formed to develop the shale oil industry in New South Wales). Previously the Government was committed to the granting of an exemption of excise on petrol produced by this company up to 10,000,000 gallons per annum so long as the customs duty on imported petrol and the excise duty on petrol produced from imported crude oil remained at 7d. and 5½d. a gallon, respectively. These duties were, however, increased by 1d. per gallon following the declaration of war in September, and the Government exercised its right under the agreement to impose 1d. per gallon, thus maintaining the same protective margin.

CHANGES IN DECEMBER

On December 6, Customs Tariff Amendment No. 15 was tabled. This amendment included all recommendations that had then been made up to that date by the Tariff Board. Increases of duty were recommended on tire cord and tire cord fabric, cotton canvas and duck, cylinder assemblies for tractors other than diesel tractors, lifting jacks and twist drills. Decreases were recommended on glycerine, stoves, and ranges of the "Aga" and "Esse" types which function on the heat storage principle, and barometers of certain types. In respect of tire cord and tire cord fabric and cotton canvas and duck, the protection recommended by the Tariff Board was partly to be duty and partly to be bounty. These proposals and the complementary bounty measures were approved to and including June 6, 1940.

The House of Representatives adjourned on December 8, and no further proposals will now be considered until April, 1940.

PLANNED INDUSTRIALIZATION IN SOUTH AFRICA

J. C. MACGILLIVRAY, CANADIAN TRADE COMMISSIONER

Cape Town, February 15, 1940.—Having a comparatively limited population, and being an important producer of primary products, the Union of South Africa has not made the same progress in industrialization as other countries. There was a considerable industrial growth in South Africa during and immediately after the first Great War. Since then manufacturing has continued to expand, but domestic industry is still capable of supplying only a small part of the country's requirements, particularly in lines for which the demand is relatively small.

INDUSTRIAL DEVELOPMENT CORPORATION

Since the outbreak of the present war, the question of further industrialization has again been brought to the fore and the Union Government intends introducing a bill for the establishment of an Industrial Development Corporation. This body will be charged with the task of assisting in financing the Union's industrial development so as to ensure that it will be conceived and planned along economic and rational lines.

In the course of a recent address to the Cape Town Chamber of Commerce, the Union Minister of Commerce and Industries stated that anyone with a sound scheme, or capable of producing evidence of establishing an industry, would be able to put their proposition to this Corporation. If the experts were satisfied, the Corporation would finance the scheme or underwrite the issue. In furtherance of this, it was pointed out that it was not intended that the Government should absorb the functions normally conducted by the commercial banks, but that it would rather supplement the banks' activities.

COMMISSION TO STUDY PRODUCTION PROBLEMS

It has been announced that, as an accompaniment to the establishment of this Corporation, a commission is to be formed to ascertain the country's industrial and agricultural needs and the extent to which these can be met from the Union's own resources, and to indicate where there is scope for expansion of production to meet agricultural, manufacturing and mining requirements. The chairman of the Commission will be a South African business man and the members persons prominent in the industrial and commercial life of the country, including the industrial adviser to the Union Department of Commerce and Industries. The duties of the Commission will be, firstly, to state what steps are required to increase the output and the utilization of local raw materials. Secondly, it will be enjoined to study how to increase the Union's productive capacity generally to meet the essential requirements of agriculture and industries, so as to ensure the attainment of a higher degree of self-sufficiency. Finally, it will make suggestions regarding the steps necessary to provide the materials which are essential to the requirements of those industries and which cannot, under existing conditions, be produced locally.

GROWTH OF SOUTH AFRICAN INDUSTRY

Industrial development in South Africa up to the present has taken place along fairly well-defined lines. A large percentage of the mining machinery and equipment now used by the country's important mining industries is made locally. In addition, the production of such essentials as clothing, furniture and manufactured foodstuffs has grown more vigorously than that of other products for which the demand has been more inelastic.

The official index figure of industrial development in the Union, which is based on 100 in 1915-16, had risen to 246 in 1920-21. By 1929-30 it had moved up to 309, after which it receded. By 1936-37, however, it had again moved forward to 466.

Stimulated by Government assistance, high wartime freight rates and possible difficulties in securing materials from abroad, it is probable that there will be a further and more marked upward swing.

While an increase in industrialization will inevitably have an effect on import trade, there will be a limit beyond which expansion will find it difficult to proceed. This limit will be determined by the smallness of the market, which consists of only a little more than two million white people as consumers. Additional deterrent factors are the great distances between the principal centres of population and the isolation of the Union from other manufacturing countries.

BUSINESS CONDITIONS IN SOUTHERN RHODESIA IN 1939

J. C. BRITTON, ASSISTANT TRADE COMMISSIONER

Johannesburg, February 14, 1940.—Mainly due to the temporary dislocation of trade following the outbreak of war, a slight decline took place in general economic activity in Southern Rhodesia during 1939. This decline is only in comparison with the exceptionally prosperous conditions which prevailed in the preceding year, general economic activity in 1939 being on a considerably higher plane than was the case in 1937 and previous years. The value of both imports and exports in 1939 was lower than in 1938. Decreases in the export value of "unmanufactured tobacco" and "minerals, earthenware, glassware and cement" account for the decline in total exports. Imports of "metal, metal manufactures, machinery and vehicles" were less in 1939 than was the case in 1938, and this decrease is responsible for the decline in total imports as values under all other headings registered increases.

There was a slackening in building activity during the year, although the value of building permits issued rose as compared with 1938. Railway earnings were lower than those of the previous year.

In contrast, mineral production reached the record figure of £8,137,682 in 1939 as compared with £7,695,136 in 1938, this total being the seventh successive yearly increase in output. The value of gold production increased from £5,820,531 in 1938 to £6,227,281 in 1939. The gold output, however, declined from 814,078 ounces in 1938 to 795,613 ounces in 1939. The increased gold price, therefore, accounted for the record values of gold and of all mineral production.

MINING

The mining industry occupies a dominant position in the economic prosperity of Southern Rhodesia. Gold, asbestos, chrome and coal are the most important minerals produced. In 1938 these made up 64·9 per cent of total exports as compared with 65·5 per cent in 1937. An encouraging feature, therefore, of economic activity in 1939 was the increase in value of mineral production, particularly as declines were noted for the other important economic indices.

In addition to gold, asbestos production increased in value from £1,020,921 in 1938 to £1,088,782 in the year under review. Chrome output was lower, being valued at £186,577 as compared with £242,216 in 1938 and £367,385 in 1937. Coal production increased in quantity, but the value declined from £476,462 in 1938 to £431,458 in the year under review. The value of tin mined amounted to £86,188 in 1939 as against £41,957 in 1938 and £31,845 in 1937. The production of tungsten concentrates was valued at £40,296, £42,083 and £48,613 in the same three years.

The following table shows the quantities and values of minerals produced in 1938 and 1939:—

	1938		1939	
	Ounces	£	Ounces	£
Gold	814,078	5,820,531	795,612	6,227,281
	Tons		Tons	
Asbestos	58,811	1,020,921	58,313	1,088,782
Chrome ore	205,052	242,217	153,314	186,577
Coal	1,150,623	476,463	1,231,864	431,460
Tungsten concentrates	335	42,083	275	40,296
Tin concentrates	427	41,957	721	86,188
Other minerals and metals . . . . .	.....	51,564	.....	77,099
Total value . . . . .	.....	7,695,736	.....	8,137,683

AGRICULTURE

Tobacco is one of the most important of the agricultural crops in Southern Rhodesia, but although there was an increase in plantings of some 14,000 acres during the 1938-39 season over the previous record year, the yield of tobacco of all types totalled only 23,442,092 pounds as against 26,709,747 pounds in 1937-38. Of this quantity, 22,866,192 pounds were flue-cured (Virginia) and 575,900 pounds Turkish in 1938-39 as compared with 26,006,259 pounds of flue-cured and 703,488 pounds of Turkish in 1937-38. The past year's production was about 12,000,000 pounds less than might have been expected had the growing season proved satisfactory. This is emphasized by the fact that the flue-cured yield per acre in 1938-39 was only 375 pounds as compared with 552 pounds in the previous year. Offsetting somewhat the low yield, very satisfactory prices were reported for most of the crop.

Last year was one of the most unfavourable seasons for agriculture experienced in Southern Rhodesia for many years. Owing to the excessive rains

and backward growing conditions, maize production, which is of great importance to the Colony, totalled only 1,209,818 bags, a decrease of 222,185 bags. The yield per acre was the lowest since 1927.

TRADE

According to preliminary trade figures for 1939, which have just become available, imports into Southern Rhodesia for the year amounted to £8,921,000 as compared with £9,673,000 in 1938, and exports were valued at £11,795,000 as compared with £11,877,000 in 1938.

The substantial reduction in imports was accounted for largely by a decline in imports of railway equipment and material. The value of gold exported during the year reached £6,021,000, which is a record figure. On the other hand, declines, as compared with a year ago, took place in the value of exports of chrome, asbestos, tobacco and maize.

British countries continued to share largely in the import trade of the Colony, although imports from Empire sources declined during the year from £7,185,000 in 1938 to £6,517,000 in 1939. The United Kingdom maintained her position as the largest supplier, but her share of the import trade declined from 50 to about 45 per cent of the total.

Preliminary figures of imports by countries for 1939, and the figures for 1938, are as follows:—

	1939	1938
United Kingdom	£3,985,000	£4,845,000
Northern Rhodesia	69,000	132,000
Union of South Africa	1,633,000	1,430,000
Canada	375,000	373,000
India	207,000	189,000
United States	852,000	859,000
Germany	168,000	268,000
Japan	184,000	189,000
Belgium	129,000	151,000
Iran	87,000	124,000
Portuguese East Africa	186,000	169,000

FOREIGN TRADE OF INDIA, APRIL-DECEMBER, 1939

PAUL SYKES, CANADIAN TRADE COMMISSIONER

(One rupee is approximately equal to 33 cents Canadian)

Calcutta, February 9, 1940.—Statistics of India's foreign trade during the nine months ending December 31 last show a great improvement over those of the previous year. It will be recalled that the general trend in India's overseas trade for some time has been unsatisfactory, both imports and exports having shown considerable declines. The record for the current fiscal year (1939-1940), however, will reveal a much improved position. Import values have exceeded those of 1938 in all but two of the first nine months of this period and exports in all but one. A gradual upward trend in both was accentuated, in the case of exports particularly, in November and December.

TOTAL TRADE

The value of imports during the period April-December, 1939, is recorded as Rs.1,182,893,000, an increase of Rs.87,042,000 or 8 per cent over the corresponding 1938 figure of Rs.1,095,851,000. Total exports amounted to Rs.1,465,437,000, an increase of Rs.200,870,000 or 16 per cent over the 1938 total of Rs.1,264,568,000. Total trade values stood at Rs.2,648,330,000 as compared with the previous year's total of Rs.2,360,419,000. These data indicate a decided revival in India's foreign trade and the marked increase in the favourable merchandise trade balance from Rs.168,717,000 to Rs.282,544,000 serves to give them added significance.

TRADE BY COMMODITY GROUPS

The increased value of India's imports is due to a large extent to unusually large purchases of Burma rice and to a smaller extent to larger purchases of sugar from Java. There were substantial increases also in imports of mineral oils and miscellaneous yarns and textile fabrics. Counteracting these increases were declines in purchases of machinery, raw cotton, and electrical equipment. Altogether, an increase in imports of food, drink, and tobacco amounting to Rs.113,080,000 and in raw materials or semi-manufactured products of Rs.10,082,000 was reduced by a falling-off in imports of fully manufactured goods of Rs.33,785,000, to leave a net gain of Rs.87,042,000.

The upward trend in export trade was even more pronounced. It was based on a large rise in sales of fully manufactured products and a smaller increase in those of semi-manufactured goods and raw materials. There was a decline in exports of food, drink, and tobacco. The bulk of the net increase was made up by a gain of Rs.121,700,000 in exports of jute manufactures; but sales of raw cotton also improved by the large figure of Rs.43,499,000, those of raw jute by Rs.18,981,000, and those of dressed hides and skins by Rs.12,807,000. Heavy declines occurred in exports of oil seeds and wheat.

TRADE BY COUNTRIES

There were several important changes in India's overseas trade according to countries of origin and destination during the nine months ending December, 1939, as compared with the corresponding period in 1938. Trade with Empire countries increased by Rs.119,000,000, while the improvement in the case of all other countries amounted to Rs.101,000,000. A large increase in imports from Burma was offset by decreased purchases from the United Kingdom and from Kenya, but the trend in imports from the Empire was generally upwards. Exports to British markets showed considerable advances in practically every instance.

The total import trade, in which the nine-months' appreciation over 1938 amounted to Rs.87,042,000, was notable for the increased value of business with Burma, Java, Japan, and the United States. Imports from these countries were some Rs.76,000,000, Rs.30,000,000, Rs.25,000,000, and Rs.20,000,000, respectively, higher than during the previous year. Declines were most marked in the case of imports from the United Kingdom, Germany, Kenya, Belgium, Italy, and Iran. Greatly increased values were recorded for exports to the United Kingdom, Burma, Canada, Australia, China, and the United States, the increase in the value of shipments to the China market amounting to the large sum of Rs.61,000,000. Sales of Indian products to Germany, Belgium, the Netherlands, and Japan were considerably less than in the same period of the previous year.

TRADE WITH CANADA

The total value of trade between India and Canada was much larger during April-December, 1939, than during the same period in 1938. Imports from Canada were valued at Rs.7,630,216 as against Rs.5,064,338, and exports to Canada amounted to Rs.28,863,274 as compared with Rs.15,291,885. The increase in India's exports to the Canadian market was sufficiently large to alter the ratio between exports and imports from 3 to 1 to approximately 4 to 1, at which the position is almost as extreme as it has been in any year for many years. At the same time, the substantial advance in Canadian shipments to this market must be taken as significant and it is expected that further gain in this respect will be recorded in the returns for the complete year's trade.

EFFECTS OF THE WAR ON INDIA'S FOREIGN TRADE

It is still premature to comment in detail on the effects of the war on India's overseas trade. It appears inevitable, however, that India will benefit considerably by the increased demand in many countries for various Indian products. The first important business resulting from the war was a series of orders for sandbags and subsequent increases in the demand for hessian and gunny cloth. Clear evidence of the value of such business is seen in the rise in value of exports of manufactured jute products from Rs.199,724,170 in April-December, 1938, to Rs.321,424,522 during the same months of 1939. A similar, if less spectacular, trend has also been evident in the case of raw jute, dressed hides and skins, and iron and steel manufactures. One of the most important effects of the war on India's economy will be the stimulus to the manufacturing industry. This stimulus will be of the greatest value to industries already in existence. Undoubtedly war conditions will encourage also the initiation of many new ventures; while the increased demand for various raw materials, and for substitutes for those formerly imported from abroad, will in all probability lead to substantial improvement in the welfare of the agricultural community.

ECONOMIC CONDITIONS IN BELGIUM IN 1939

YVES LAMONTAGNE, CANADIAN COMMERCIAL ATTACHÉ

II

EMERGENCY SUPPLY MEASURES

Belgium depends to a large extent on foreign sources for her supplies of foodstuffs and feedstuffs. This situation results from a transformation in local agricultural production which has tended to replace vegetable crops by animal production. Through rapid and severe adaptation, Belgium could, in the event of dire necessity, live on its own agricultural production and become independent in this direction. This could be achieved by growing cereals, potatoes and sugar beets on a larger scale, at the expense of pasture land, and by prohibiting exports of local agricultural produce.

The foregoing conclusion led to the publishing of a decree on September 23 last making it compulsory for farmers to increase the areas devoted to the cultivation of wheat, rye, beets and potatoes. Farmers, however, did not agree on the percentage increases required under the decree, and the measure was toned down. Measures were also taken with respect to the milling of wheat, so as to ensure maximum extraction in the production of flour for bread-making, and wheat may not be utilized as animal feed. All sales of local wheat were placed under government supervision so that regulations would be strictly complied with.

Earlier in the year Antwerp grain brokers had worked out a plan intended to create and maintain a reserve of some 70,000 metric tons of wheat, and the system later received official approval. Under a decree published on August 9 all importers of frozen meat were obliged to stock permanently 20 per cent of the import quotas distributed monthly.

The extent of the difficulties brought about by the opening of hostilities in Europe and the complexity of the problems to be solved placed the Government in a situation without precedent. Attention had to be given to stocks, prices, the supply of essential needs in raw materials, industry, agriculture, and the eventual rationing of the population, keeping in mind the necessity of preventing the inflationary tendencies which always accompany a long conflict. However, Belgium was not completely unprepared, for after the alarm in September, 1938, the Government had taken some preliminary steps

with a view to ensuring supplies and aid for civilians, and the administrative services then created were later enlarged and co-ordinated so as to become rapidly effective.

The basis of the entire system was the law of June 16, 1937, authorizing the King to take whatever measures might be necessary for mobilization and for protection of the people in time of war. For this purpose there was created in March, 1939, an interdepartmental committee, as well as administrative services, with the object of providing supplies for the civilian population, controlling agricultural resources, assisting the families of men called to the colours, supplying medical aid and mobilizing man-power. These various services were grouped together at the beginning of May. Contact with economic and social circles was maintained through a consultative committee, and steps were taken later to ensure supplies by accumulating, with the assistance of merchants and manufacturers, controllable stocks of raw materials which are of foreign origin or the local production of which was considered insufficient. In certain instances it became compulsory for Belgian manufacturers and others to stock commodities such as medical supplies and petroleum and its products, besides wheat and frozen meat, as previously mentioned.

The Government also instituted control over prices with a view to preventing undue increases and checking speculation and abuse such as the building up of excessive stocks and withholding certain products from sale. This control aims chiefly at obliging merchants, both wholesale and retail, to liquidate their stocks at the purchase and not the replacement price. Food prices, for instance, must be indicated in the shops, and for certain products price limits are fixed weekly. The Government has avoided taking over the actual buying and building up of stocks, and the system has been based upon the assumption that the local trade, from the importer to the manufacturer, wholesaler and retailer, was capable of handling the situation.

The Government has already supplied the population with ration cards in the event that it should become necessary to institute rationing. These cards entitle the holders to monthly deliveries of stamps corresponding to the rations for certain products, the retailer remitting the quantity allotted in exchange for the stamps and, of course, after the products are paid for. These stamps enable the retailer to obtain new supplies in quantities for which he may thus justify deliveries.

Other measures which have been taken include the subjecting of a large number of products to export licence, a reference to which has already been made under a previous heading. Regulations were also made affecting the transit trade. The scope of these measures has been limited as far as possible with a view to enabling the country to maintain its economic activity at normal.

As a result of all the precautions taken, fears that Belgium would run short of supplies have been alleviated, particularly as regards foodstuffs, stocks of which are considered to be ample.

MONEY MARKET

During 1939, and particularly following the events of August and September, the monetary situation in Belgium was dominated by the need for liquidity, which resulted in a considerable increase in the bank note circulation, reflecting an increase in hoarding and a decrease in bank deposits. The past year may be divided into three periods as regards the record of the money market. There was a sharp depression during the period January to April, a period of recovery from May to September, and then a further period of stress due to the opening of hostilities in Europe.

Uncertainty concerning the political situation in Belgium, combined with the fact that the 1938 budget closed with a deficit of 995 million francs (about

\$33,000,000), was reflected in a decrease during the first four months of the year of over 4 billion francs (about \$130,000,000) in the gold and foreign exchange held by the National Bank, while deposits in current account at the Bank of Issue were greatly reduced. At the same time credit demand at the National Bank was considerable, and advances on securities and public funds rose by 2,600 million francs. The bank note circulation increased, and the downward trend of the rate of exchange became alarming as a result of the flight of capital and of foreign speculation, giving rise to growing fear that the belga would be devalued. The Bank of Issue met this situation by raising its rate of discount on April 17 from $2\frac{1}{2}$ to 4 per cent and by severely restricting credit, which had increased in proportion to the withdrawal of funds from the private banks.

The general elections of April 2, which were generally interpreted as a return to strong and stable government, brought about a decided reversal in the trend, and when order returned in the country's finances, confidence was restored. The rate of discount was lowered to $2\frac{1}{2}$ per cent, capital was repatriated, and before the middle of August the gold reserve at the National Bank had been entirely reconstituted. Government bonds firmed, while quotations on the stock exchange rose. At the same time there was a marked improvement in conditions in the basic industries. Receipts from taxation, however, continued to fall, and in August the statutes of the National Bank were modified with a view to enabling it to effect open market operations on a larger scale by increasing the ceiling from 1,500 to 5,000 million francs, so as to allow the bank to discount or buy long- or short-term government securities up to this higher limit and so assist the Treasury in view of hoarding on the part of the public.

EFFECT OF HOSTILITIES

With the opening of hostilities in Europe the money market entered its third phase, which began by a normal parallel increase in discount and advances on the one hand and in the bank note circulation on the other, while the gold reserve continued to grow. The belga remained strong despite the break in sterling and the French franc. Toward the end of September, however, the holdings of gold and foreign exchange at the National Bank began to decrease, and the downward trend, which was comparatively slight, continued until the close of the year. During the period September-December, advances on public funds and holdings of government bills reached a high level and, since on the other hand current accounts were low, the issue of bank notes bore the entire weight of the recourse to credit at the National Bank, the volume of notes in circulation at the end of 1939 showing an advance of 5,900 million francs or more than 26 per cent over the total at the beginning of the year.

The return of confidence at the end of April made possible important issues through the Central Bank, and the balance sheets indicate that up to the end of July there was a marked reduction in commercial holdings and advances on public funds, coinciding with the creation of a large volume of short-term treasury bonds. Easier conditions allowed the Government to raise the ceiling of open market operations without discriminating between short- and long-term bills, enabling Belgium to meet the immediate requirements of armed neutrality. Effective August 24 last, the measure allowed the Treasury to utilize the monetary reserves of the country.

The credit issued by the National Bank rose to a maximum of 3,777 million francs on November 7, chiefly to satisfy private demand. The volume of credit distributed by the bank decreased to 3,076 million francs on September 28, rising to 6,040 millions on December 28, this latter increase being due to the acquisition of short-term public securities amounting to 3,525 million

francs, of which 500 millions are the counterpart of the reconstitution of the Treasury's gold holdings, which amounted to 506 million francs on December 25 last as compared with 1,286 million francs on the same date in 1938.

On December 31, 1939, the National Bank held a total of 4,588,754,820 francs in Government bills, including 3,306 million francs in short-term Treasury certificates and 420 million francs of assimilated securities, apart from 862 million francs of long-term bills. The Bank of Issue is authorized to acquire a total of 5,686 million francs of government bills under the present legislation. The Belgian Government, faced with expenditures on an unprecedented scale, assumed the burden of responsibility by having recourse to the National Bank, keeping in mind the avoidance as far as possible of inflation and the necessity of appealing to the savings of the community in order to make available the funds necessary to support mobilization and make national defence secure.

GOVERNMENT ISSUES

Early in 1940 it was rumoured that the Government was preparing for a continuous public issue of Treasury bonds to an unlimited amount to finance the cost of mobilization. These bonds would practically correspond to bank notes paying interest. By issuing the bonds below par the interest would be paid in advance. It was hoped that, as the public was hoarding a huge amount of bank notes bringing no return, it would be interested in purchasing these bonds. On January 25, 1940, the National Bank lowered its rate of discount and increased the existing facilities for loans and advances by reducing the rate of discount from $2\frac{1}{2}$ to 2 per cent, and thereafter government bills were to be accepted for loans and advances up to 95 per cent for bills of less than 120 days, 90 per cent for bills of 120 to 360 days, and 80 per cent for longer bills.

These new conditions paved the way for the "Independence Loan," an issue of 4-, 8- and 12-month tax-free bonds, bearing interest at 2.4 per cent, 2.7 per cent and 3 per cent, respectively, and in amounts of 1,000 and 10,000 francs, to be offered on January 31. Thus, on the one hand, the State calls on all holders of unused bank notes and all those who save or possess money to feed the Treasury, while on the other the National Bank offers to holders of certificates the widest and cheapest facilities for eventual mobilization. These two operations are expected to make for a greater volume of circulation, to which hoarding, from which the country suffers, can contribute considerably.

PRIVATE BANKS

Banks are very sensitive to the tempo of economic activity, and the depression in business conditions which characterized the past year in Belgium is reflected in decreased bank assets, decreased loans and deposits and decreased profits. Hoarding increased after February and continued throughout the year, with the result that total deposits were lower at the end of 1939 than at the close of 1938. On the whole the banks met the withdrawal of capital with remarkable ease, and they are in a satisfactory state of liquidity. Last year the banks were, even more than in 1938, deprived of productive activity in the field of bond issues.

In a recent report of the National Bank of Belgium, it is pointed out that since the war of 1914-18 the Belgian banks have found it very difficult to adapt themselves to changing conditions. The 1935 banking legislation has not entirely solved Belgium's banking problem and appears to have aggravated it by adding certain new factors which have resulted in a reduction in deposits. It may be recalled that this legislation, which was introduced as a result of the situation brought about by the economic crisis which began

in 1929, prohibited the banks from acting as savings institutions while at the same time extending assistance to industry, a number of industrial concerns having found it impossible to repay advances affecting savings deposits.

BANK DEPOSITS

Total deposits in the Belgian private banks on December 31, 1939, amounted to 14,492 million francs as compared with 18,085 million francs a year before, a drop of 3,593 million francs (\$140,000,000). In three years the reduction amounted to over 9 billion francs. This decrease bears almost exclusively on current accounts or deposits under one month's notice.

The following table sets out the variation in the total deposits in both private and state institutions and in the bank note circulation during the last few calendar years:—

	Private Banks	National Savings Bank	Post Office	Total	Note Issue
		Figures in Millions of Francs			
1936..	23,670	11,456	3,667	38,793	22,452
1937..	21,971	12,487	3,873	38,331	21,460
1938..	18,085	12,319	3,031	33,435	21,956
1939..	14,492	11,614	3,166	29,272	28,000
1929..	30,436	5,548	2,025	38,009	13,437

Comparison of the figures for 1939 and 1929 shows a reduction of about 9 billion francs in the total deposits, while the bank note circulation has doubled, so that it is evident that there has been hoarding on a huge scale, particularly at the expense of the private banks, which can now extend credits to production and trade on a moderate scale only. International events have naturally exerted a considerable effect on capital and hoarding, the latter having been encouraged by the lowering of the rate of interest on deposits. The continuous decrease in the funds placed at the disposal of the Belgian credit institutions tends to reduce their volume to a level which is below the requirements for financing normal economic activity.

The expansion in the bank note circulation during 1939 was due to two factors: the increase in the value of Treasury certificates from 1,790 million francs on September 7 to 3,830 million francs on December 31, and the fall in bank deposits by 3,593 million francs. Despite these withdrawals the banks have both maintained their total credit to private economy and increased their holdings of Treasury bills. On September 30 last the Belgian banks held 3,738 million francs of Belgian public funds, while their capitalization and reserves together amounted to 3,302 million francs.

EXCHANGE

During the first seven months of 1939, exchange fluctuated within narrow limits, the pound sterling decreasing from 27·85 belgas to 27·53 and to 27·11 in August. In September the average rate fell to 23·38 and remained a little above this level until the end of the year as a result of the establishment of exchange control in the United Kingdom. The average rate during December last was 23·7 compared with 27·73 for December, 1938.

After the outbreak of war there were wide fluctuations in United States dollar rates, which rose as a result of the increased cost of transportation of bank notes from America due to higher ocean freight and insurance.

The average rate for the Canadian dollar in January, 1939, was 5·876 belgas. For March the average was 5·925, decreasing to 5·855 in May, while for June, July and August the rate was approximately the same as in January. It fell to 5·266 in September, and after rising to 5·382 in October it dropped to 5·252 in December as against 5·886 for December, 1938. The average rate

of exchange for the Canadian dollar during 1939 was 28·45 Belgian francs as compared with 29·44 in 1938, and the rate on December 29, 1939, was 26·5 as against 29·43 at the end of 1938.

The belga remained remarkably firm during 1939, a year of continual stress and anxiety as a result of events both from within and without, and Belgium has not been obliged to resort to any measures of control of foreign exchange following the outbreak of war in Europe last September.

STOCK MARKET

While during 1939 the trend on the Brussels Bourse was influenced by movements in the London, Paris and New York stock exchanges, local interpretation of domestic and international developments affected the Brussels market to a greater extent than in former years.

The year opened with uneasiness over the internal political situation, one of the main causes for anxiety being an unbalanced budget and the need for new taxes. The situation was reflected by weakness in exchange, fears of a possible devaluation of the belga, and increased hoarding. There was a recovery after the general elections on April 2, the stock market being supported by the renewal of activity in the basic industries. Confidence was returning, and at the beginning of August the outlook was distinctly encouraging. Unfortunately, however, the international political situation then took a turn for the worse, culminating in the outbreak of war during the first days of September.

The Brussels Bourse, however, was not caught unawares. Measures were taken to prevent a cessation of transactions and to check heavy losses, and after a few sessions firmness developed. By mid-September the trend had considerably improved as a result of increased industrial activity. The growing budget deficit, however, caused the Government to consider new taxation measures involving the imposition of a tax on excess profits. This exerted an adverse effect on the stock exchange; values resumed a downward trend and a new low level was reached on November 11, when Belgium appeared to be on the point of being invaded. Belgian Government 4 per cent *rentes*, which stood at 88·80 on January 3 and 85·80 at the beginning of September, had fallen to 67 in the middle of November.

In the second half of December the trend was again upward, although trading was on a moderate scale. Government *rentes* recovered to 77·50, and a more cheerful sentiment was attributed to the stabilization of wages in industry, the increase in the length of working hours in the coal mines, higher fiscal receipts, and better prospects for export trade. This year-end improvement leads to the conclusion that the market is sound.

The volume of sales at the Brussels Bourse during 1939 amounted to 4,555 million francs as compared with 7,149 millions in 1938 and 15,915 million francs in 1937.

BUDGET

Owing to Government measures in recent years designed to give a spur to economic activity and reduce unemployment but which, on the whole, resulted mostly in augmented expenditure, Belgium's national budget increased by over 2,116 million francs, or by 20 per cent, from 1935 to 1938, although the conversion of the public debt brought about a saving of 600 million francs. During this period, taxes were increased by 1,609 million francs or 19 per cent. Receipts have not paralleled expenditure, and the ordinary budget for 1938 closed with a deficit of 956 million francs despite additional taxes calculated to bring in 600 millions.

The ordinary budget for 1939, originally drafted toward the end of the previous year, was modified subsequently on several occasions to meet changed conditions due to decreasing yields from taxation and greater expenditure on national defence.

At the end of April, 1939, Belgium's annual deficit was 650 million francs. Revenues had shown a loss of 300 million francs during the first quarter, and there was less than 400 million francs in the Treasury. Provided the ordinary budget could be balanced, the Treasury was faced with the problem of finding a sum of 2,500 million francs for extraordinary expenditure before the end of the year, and borrowing from abroad was out of the question.

In order to balance the ordinary budget a temporary increase in certain taxes had to be resorted to. As for the extraordinary budget, which is financed by means of loans, the position was that Belgian capital lacked the confidence which was necessary to allow long-term loans to be floated, and only short-term borrowing could be entertained. In order to carry out its program, the Government asked for and obtained special powers which were to be effective until the beginning of December.

Budgetary problems were considerably increased following mobilization of the Belgian army at the end of August. Belgium adopted the policy of financing its expenditure on national defence to as great an extent as possible on a pay-as-you-go basis, avoiding recourse to taxation, the volume of which might restrict credit expansion. What could not be met by taxation was to be financed by loans. It was also recognized that taxes had already reached a level where they were no longer productive.

In November last the Treasury was faced with the problem of finding something like 8,500 million francs to cover expenditure from October 1, 1939, to December 31, 1940. This total was made up as follows: 1,500 million francs caused by the fall in fiscal receipts; 2,000 million francs under the extraordinary budget, of which three-quarters was for national defence; and 4,500 million francs to meet the cost of mobilization if the army was to be maintained on the same footing. At that time the cost of mobilization was estimated at over 10 million francs a day (nearly \$170,000,000 per annum), but it has since risen to probably 17 to 20 million francs a day.

At the time of writing, expenditures provided for under the ordinary budget for 1940 total 12,100 million francs. The extraordinary budget proper amounts to another 2,300 millions, while mobilization and other expenditures total 5,540 million francs. The requirements of the Treasury for 1940 will amount to about 8,500 million francs, which the State must borrow. Another 5,000 million francs of floating debt made up of Treasury bonds and certificates remain to be met, this amount representing expenditure incurred since the first day of mobilization. In reality, therefore, 13 billion francs must be obtained through credit channels.

On December 19 the extraordinary budget for 1940 was raised from 2,231 to 2,881 million francs so as to include an additional 619 million francs for expenditure on national defence. This compares with 2,432 million francs for 1939 and 2,573 million francs for 1938.

PUBLIC DEBT

Belgium's total public debt at the end of 1938 amounted to approximately 44.5 billion francs, excluding some 13 billion francs of war debt. About 37,600 million francs, or 85 per cent of the total, was internal and consolidated except for 1,150 million francs floating debt.

As a result of the urgent Treasury needs brought about by the internal situation caused by the outbreak of war in Europe and by Belgian mobilization,

the internal debt is rising. On December 31, 1939, the situation was set out in the following table (in millions of Belgian francs):—

Consolidated debt—			
Internal, direct	23,239	Foreign loans	5,214
Internal, indirect	8,948	War debt, external	13,065
	<u>32,187</u>		<u>18,279</u>
Medium-term debt—			
Internal	700	External . . . . .	.....
Short-term debt—			
Internal	4,300	External	722
Sight debt—			
Internal	3,167	External . . . . .	.....

The above tabulation shows the situation as regards the public debt, as well as holdings at the National Bank of Belgium at the end of last year. Holdings in public securities amounted to 4,589 million francs as against an authorized total of 5,686 millions. The medium-term debt is composed of bonds maturing after one year and not more than five years. Certificates of under one year constitute the short-term debt, while private deposits in the postal cheque system represent the internal sight debt.

TARIFF CHANGES AND TRADE REGULATIONS

United Kingdom

FURTHER LIST OF COMMODITIES UNDER IMPORT LICENSING

With reference to the notice in *Commercial Intelligence Journal* No. 1885 (March 16, 1940), page 423, announcing further commodities subject to import licence in the United Kingdom as from March 25, the complete notice of these restrictions since received includes the following additional items: Beer; glass tubing and rod; iron baths; clock and watch cases; photographic enlargers and parts thereof; optical lanterns and parts thereof other than lenses; electrical accumulators and parts thereof; electric bell apparatus; electrical connectors, couplings, junction boxes, fuses, fuse boxes and parts thereof; carpets, carpeting, floor rugs, floor mats and matting, wholly or mainly of jute; tissues wholly or mainly of hemp (of all kinds) or flax or mixtures thereof, except (a) tissues of a weight of 12 ounces or more a square yard, (b) nets and netting; bituminous asphalt, whether natural or not, and emulsions thereof; bromine and inorganic bromides; baskets and basketware made wholly or partly of straw grass or rush (including fitted baskets), other than baskets of the descriptions ordinarily used for the transport of fruit, vegetables, game or similar foodstuffs; mechanical lighters and parts thereof, other than flints; parts of stationery (other than paper).

Australia

NEW LICENSING PERIOD FOR THREE MONTHS (APRIL-JUNE)

With reference to the article in *Commercial Intelligence Journal* No. 1879 (February 3, 1940), page 192, respecting the Australian import licensing system for imports from non-sterling countries established on December 1, 1939, Mr. L. M. Cosgrave, Canadian Trade Commissioner at Sydney, cables that the next licensing period will be for three months, April 1 to June 30, 1940.

The first licensing period was for the two months, December, 1939, and January, 1940, and the second for February and March, 1940. Licences were issued during these two-months' periods up to one-sixth of the value of the same goods imported by the same importer from non-sterling countries during the year ended June 30, 1939. For the new licensing period, April 1 to June 30, goods in the permitted categories A, B, C, are to be licensed up to one-fourth of the value of previous similar imports.

ADDITIONAL IMPORT RESTRICTIONS

"NO-LICENSE" CATEGORY

Effective April 1, the following goods (in addition to those listed in *Commercial Intelligence Journal* No. 1877: January 20, 1940, page 105) are placed in category D for which, it is announced, *no import licences* are being issued, viz.:

Combined corn shellers, huskers and baggers; combined corn shellers and huskers; disc cultivators; fertilizer seed and grain drills (except hand-worked); stump jump ploughs; winnowers; seats, poles, swingle-bars, yokes and trees for agricultural machines when imported separately; discs for agricultural implements; reaper threshers and harvesters; reapers and binders;

Electric shavers; lifting jacks; electric motors for domestic washers; high tension ignition coils;

Spoons, forks, butter, fish and fruit knives, plated or of mixed metal; cutlery, spoons and forks, partly or wholly of gold or silver, except when gold-ferruled or silver-ferruled only; cutlery, spoons and forks not otherwise specified in the tariff, and knife sharpeners;

Kerosene room heaters; floor and wall tiles; crude, waste, masticated and powdered or reclaimed rubber; rubber latex; wallpaper; lead pencils of wood; motorcycles and frames therefor.

RESTRICTED BY 50 PER CENT

Imports of the following are reduced by 50 per cent from the amounts imported during the year ended June 30, 1939:

Buckles, clasps and slides, for hats, shoes, and other attire; buttons, finished or unfinished, and button blanks (except trochus, pearl or shell); carpets and carpeting (except felt); handkerchiefs; serviettes;

Cash registers; electric filament lamps, 6 volts and over; lamps and lanterns; card cases, hat pins, beads, brooches, and other specified fancy goods; outdoor and indoor games, and toys (except those already prohibited); clocks, wrist watches and cases therefor;

Rubber syringes, air pillows, football bladders, elastic stockings, soles, heels, cash mats, tire fabric, tube repair outfits, valves for bottles, and rubber manufactures not elsewhere included in the tariff;

Stationery, Christmas and similar cards; pens, pencils, fountain pens, penholders; band and orchestra instruments; musical boxes;

Domestic vacuum cleaners (except those already prohibited); cameras except commercial; valves for wireless receiving sets.

RESTRICTED BY 25 PER CENT

The following are reduced by 25 per cent from the amounts imported during the year ended June 30, 1939:

Canned salmon, canned sardines, kippersnack herrings; typewriters; agricultural mowers; oil or spirit heating lamps (except those already prohibited); rubber elastic.

NO LICENCE AFTER JULY 1, 1940

No licences will be issued for the admission of the following after July 1, 1940:

Electrical warning devices for road vehicles; shock absorbers for motor vehicles but not including steering dampers.

TARIFF DECISIONS

Recent Australian customs decisions, as to the tariff classification and rates of duty on articles regarding which question had been raised, include the following:—

Drills, other than those of the non-twist type, for metal working machines, 5 per cent ad valorem under British preferential tariff, 20 per cent ad valorem under general tariff (item 434).

Combination suction household floor polisher and household vacuum cleaner, being a machine with revolving brushes for polishing and with a vacuum cleaner attachment: The polishing machine is free of duty under British preferential tariff and dutiable at 25 per cent ad valorem under general tariff (item 179D3b); the vacuum cleaner attachment is dutiable at 45 per cent ad valorem under British preferential tariff and 65 per cent ad valorem under general tariff (the British preferential rate at present reduced by one-quarter, or value for duty one-eighth, whichever is less, to compensate for Australian exchange depreciation) (item 208A2).

Solder in powder form, the individual grains of which consist of an alloy of lead and tin, 22½ per cent ad valorem under British preferential tariff, 3½d. per lb. plus 27½ per cent ad valorem under general tariff, rates to increase as present Australian exchange depreciation may be lessened (item 139D).

Movements for use in the manufacture of clocks having cases of Australian manufacture, subject to security that the movements will be sold with the cases into which they have been inserted, free of duty under British preferential tariff, 15 per cent ad valorem under general tariff (by-law under item 404).

Sensitized films, unexposed, other than those suitable for use in cinematograph cameras, of the type used in the production of films in natural colours, free of duty under British preferential tariff, 15 per cent ad valorem under general tariff (item 415A2).

Crabmeat, preserved in tins, for use only in the manufacture of fish paste, free of duty under British preferential tariff, 15 per cent ad valorem under general tariff (item 404).

Canadian goods under the above items, having the required content of Canadian and/or Australian material and labour, and shipped in accordance with Australian regulations, are entitled to British preferential tariff rates. Goods from all countries outside the British Empire are subject to general tariff rates.

Cyprus

DUTIES REDUCED ON WHEAT AND FLOUR

With reference to the announcement in *Commercial Intelligence Journal* No. 1877 (January 20, 1940), page 107, that the duties on wheat were reduced in Cyprus, Mr. Henri Turcot reports that, effective March 14, 1940, the general tariff on wheat was further reduced from £1 10s. to £1 per ton (2,240 pounds), and the preferential tariff from £1 5s. to 15s. per ton. At the same time the general tariff on flour was reduced from £6 to £4 10s. per ton, and the preferential tariff from £3 to £1 10s. per ton. The preferential tariff is applicable to British Empire products.

Netherlands

PROHIBITION OF IMPORTATION AND TRANSIT TRADE OF CATTLE AND CERTAIN ANIMAL PRODUCTS

With reference to the notice in *Commercial Intelligence Journal* No. 1883 (March 2, 1940), page 351, Mr. J. A. Langley, Canadian Commercial Attaché at Rotterdam, reports that by a ministerial order of February 23, 1940, the importation into and transit trade through the Netherlands of ground bones, fertilizers consisting wholly or partly of animal meal, bone meal or blood meal, and fodder consisting wholly or partly of animal meal, bone meal or blood meal shall be allowed, provided these products are accompanied by a disinfection certificate made up in the language of the country of origin as well as in the Netherlands language and signed by the Chief of the Veterinary Service in the country of origin recognized by the Director of the Netherlands Veterinary Service.

A specimen of the certificate required and an English translation thereof may be obtained from the Department of Trade and Commerce, Ottawa.

Denmark

INCREASE IN LUXURY DUTIES AND SALES TAX

Mr. Richard Grew, Canadian Trade Commissioner at Oslo, has cabled that, effective March 27, import duties on luxury articles were increased 10 per cent in Denmark, the increase being likely to affect 25 per cent of imports. Sales tax and excise taxes were also subjected to an increase of 10 per cent.

Peru

ADDITIONAL TAXES ON AUTOMOBILES AND TIRES

Mr. M. J. Vechsler, Canadian Trade Commissioner in Lima, writes that a Peruvian decree published on January 22, 1940, provides for levying an additional tax of 10 soles (\$2.00) on each automobile and of 0.05 sol per kilogram (½ ct. per lb.) on automobile tires imported into Peru. The purpose of these taxes is to provide funds for increasing the tourist traffic in Peru.

FOREIGN EXCHANGE QUOTATIONS: WEEK ENDING APRIL 1, 1940

The Foreign Exchange Division of the Bank of Canada has furnished the following statement of the nominal closing quotations for all the principal exchanges for the week ending Monday, April 1, 1940, and for the week ending Tuesday, March 26, 1940, with the official bank rate:—

Country	Unit	Present or Former Gold Parity	Nominal Quotations in Montreal Week ending March 26	Nominal Quotations in Montreal Week ending April 1	Official Bank Rate
Belgium	Belga	.1001	\$.1888	\$.1896	2
Bulgaria	Lev	.0072	.....	.....	6
Denmark	Krone	.2680	.2143	.2143	5½
Finland	Markka	.0252	.0172	.0194	4
France	Franc	.0392	.0227	.0223	2
Great Britain	Pound	4.8666			
	Buying		4.4300	4.4300	2
	Selling		4.4700	4.4700	—
Greece	Drachma	.0130	.0077	.0073	6
Holland	Guilder	.4020	.5893	.5893	3
Hungary	Pengo	.1749	.3227	.3227	4
	Unofficial		.1952	.1952	—
Italy	Lira	.0526	.0560	.0560	4½
Yugoslavia	Dinar	.0176	.0249	.0249	5
Norway	Krone	.2680	.2521	.2521	4½
Portugal	Escudo	.0442	.0381	.0372	4-4½
Roumania	Leu	.0060	.....	.....	3½
Spain	Peseta	.1930	.1078	.....	5
Sweden	Krona	.2680	.2643	.2644	3
Switzerland	Franc	.1930	.2489	.2489	1½
United States	Dollar	1.0000			
	Buying		1.1000	1.1000	1
	Selling		1.1100	1.1100	—
Mexico	Peso	.4985	.1848	.1848	3
Cuba	Peso	1.0000	.....	.....	—
Guadeloupe	Franc	.0392	.0227	.0223	—
Jamaica	Pound	4.8666	4.4800	4.4800	—
Martinique	Franc	.0392	.0227	.0223	—
Other British West Indies	Dollar	1.0138	.9313	.9313	—
Argentina	Peso (Paper)	.4245	.3304	.3304	3½
	Free		.2586	.2570	—
Brazil	Milreis (Paper)	.1196	.0673	.0673	—
	Free		.0558	.0558	—
British Guiana	Dollar	1.0138	.9313	.9313	—
Chile	Peso	.1217	.0573	.0573	3-4½
	Export		.0444	.0444	—
Colombia	Peso	.9733	.6336	.6327	4
Peru	Sol	.2800	.....	.....	6
Venezuela	Bolivar	.1930	.....	.....	—
Uruguay	Peso	1.0342			—
	Controlled		.7307	.7307	—
	Uncontrolled		.4346	.4340	—
South Africa	Pound	4.8666	4.4600	4.4600	3½
Egypt	Pound (100 Piastres)	4.9431	4.5800	4.5800	—
China (Shanghai)	Dollar	.....	.0684	.0668	—
Hongkong	Dollar	.....	.2478	.2446	—
India	Rupee	.3650	.3359	.3359	3
Japan	Yen	.4985	.2602	.2602	3.29
Java	Guilder	.4020	.....	.....	—
Thailand (Siam)	Baht (Tical)	.4424	.....	.....	—
Straits Settlements	Dollar	.5678	.5250	.5250	—
Australia	Pound	4.8666	3.5800	3.5800	3
New Zealand	Pound	4.8666	3.5900	3.5900	4

The Dominion Bureau of Statistics has supplied the following note:—

There was no change in official buying and selling rates set by the Canadian Foreign Exchange Control Board for sterling and United States funds during the week ended April 1. These remained at \$4.43-\$4.47 and \$1.10-\$1.11, respectively. At New York a further sharp drop in sterling free market rates reflected the establishment of new restrictions announced by the British Exchange Control Board on March 9. From \$3.68½ on March 25 sterling dropped to a new seven-year low of \$3.49½ on the 27th, but by April 1 had recovered to \$3.55½. During the same interval the discount on the Canadian dollar at New York remained relatively steady at 18½ cents. French francs at Montreal lost 10 points during the week to 2-24 cents, while currencies of countries neutral during the war of 1914-18 were narrowly irregular.

TRADE OPPORTUNITIES ABROAD FOR CANADIAN PRODUCTS

The Trade Inquiries for Canadian products published below have been received since the publication of the last issue of the *Commercial Intelligence Journal*. Interested exporters may secure the names and addresses of the firms making these inquiries, together with further details regarding the commodities required, on application to the Director, Commercial Intelligence Branch, Department of Trade and Commerce, Ottawa, or—

Secretary, Board of Trade—

Saint John, N.B.

Halifax, N.S.

Quebec, P.Q.

Montreal, P.Q.

Toronto, Ont.

Chatham, Ont.

Guelph, Ont.

Kitchener, Ont.

Brantford, Ont.

Stratford, Ont.

Woodstock, Ont.

St. Mary's, Ont.

Portage la Prairie, Man.

St. Boniface, Man.

Winnipeg, Man.

Vancouver, B.C.

New Westminster, B.C.

Secretary, Chamber of Commerce—

Sherbrooke, P.Q.

Kingston, Ont.

Oshawa, Ont.

Belleville, Ont.

Peterborough, Ont.

London, Ont.

St. Catharines, Ont.

Hamilton, Ont.

Victoria, B.C.

Prince Rupert, B.C.

Windsor Chamber of Commerce, Windsor, Ont.

Commercial Intelligence Service, Department of Municipal Affairs, Trade and Commerce, Quebec.

Department of Industry, Brantford, Ont.

Industrial Commissioner, Stratford, Ont.

La Chambre de Commerce de Montréal, 25 St. James E., Montreal, P.Q.

Secretary, Canadian Manufacturers Association—

Toronto, Ont.

Montreal, P.Q.

Winnipeg, Man.

Edmonton, Alta.

Vancouver, B.C.

Victoria, B.C.

Director, Bureau of Industrial and Trade Extension, Department of Trade and Industry, Victoria, B.C.

Commodity	No.	Location of Inquirer	Purchase or Agency
Foodstuffs—			
Canned Fruits and Vegetables...	235	Glasgow, Scotland.....	Agency.
Corn Syrup (Glucose).....	236	Alexandria, Egypt.....	Purchase.
Meat Meal.....	237	Haifa, Palestine.....	Purchase.
Miscellaneous—			
Dogfish Oil.....	238	Bristol, England.....	Purchase and Agency.
Bone Glue.....	239	Alexandria, Egypt.....	Purchase.
Buttons.....	240	Leicester, England.....	Purchase.
Novelty Articles for Ladies and Gentlemen.....	241	Lisbon, Portugal.....	Purchase.
Cotton Interlock Underwear (Men's).....	242	Glasgow, Scotland.....	Agency.
Underwear (Men's, Ladies' and Children's).....	243	Cairo, Egypt.....	Purchase and Agency.
Cotton or Artificial Silk Shirtings.....	244	Dublin, Ireland.....	Agency.
Bathing Suits.....	245	Dublin, Ireland.....	Agency.
Elastic Boot Webbing.....	246	Mexico, D.F., Mexico.....	Purchase and Agency.
Table Glassware.....	247	Ancon, Canal Zone.....	Purchase and Agency.
Glass Alleys and Marbles.....	248	Birmingham, England.....	Purchase.
Paint Brushes.....	249	Cairo, Egypt.....	Purchase and Agency.
Drugstore and Hospital Rubber Goods.....	250	Alexandria, Egypt.....	Purchase and Agency.
Rubber Threads.....	251	Mexico, D.F., Mexico.....	Purchase and Agency.
Automobile Accessories.....	252	Cairo, Egypt.....	Purchase and Agency.
Automobile Batteries and Parts..	253	Cairo, Egypt.....	Purchase and Agency.
Pure White Sulphate of Barytes in Superfine Powder (96/99% BaSO ₄).....	254	Edinburgh, Scotland.....	Purchase.
Chemicals.....	255	Alexandria, Egypt.....	Purchase and Agency.
Varnish (Copal and Flatting)...	256	Cairo, Egypt.....	Purchase and Agency.
High Tensile and Mild Steel Wire, suitable for Electric Welding...	257	Hongkong.....	Purchase and Agency.
Machinery for the Manufacture of Cardboard.....	258	Bogota, Colombia.....	Purchase.
Timber (Whitewood and Redwood).....	259	Tel-Aviv, Palestine.....	Purchase.

COMMERCIAL INTELLIGENCE SERVICE

L. D. WILGRESS, *Director*

Argentina

J. A. STRONG, B. Mitre 430, Buenos Aires (1). (Territory includes Uruguay.) *Cable address, Canadian.*

Australia

Sydney: L. M. COSGRAVE. Address for letters—P.O. Box No. 3952V. Office—City Mutual Life Building, Hunter and Bligh Streets. (Territory includes the Australian Capital Territory, New South Wales, Queensland, Northern Territory and Dependencies.) *Cable address, Canadian.*

Melbourne: FREDERICK PALMER, 83 William Street, Melbourne, C.I. (Territory includes States of Victoria, South Australia, Western Australia, and Tasmania.) *Cable address, Canadian.*

Belgium and Luxemburg

YVES LAMONTAGNE, Commercial Attaché, Shell Building, 60 rue Ravenstein, Brussels. *Cable address, Canadian.*

Brazil

L. S. GLASS. Address for letters—Caixa Postal 2164, Rio de Janeiro. Office—Ed. Da. "A. Noite," Sala 802, Praça Maua. *Cable address, Canadian.*

British India

PAUL SYKES. Address for letters—P.O. Box 886, Bombay. Office—Gresham Assurance House, Mint Road, Bombay. (Territory includes Burma and Ceylon.) *Cable address, Canadian.*

British Malaya

J. L. MUTTER, Union Building, Singapore, Straits Settlements. (Territory includes the Straits Settlements, the Federated Malay States, the Unfederated Malay States, Thailand, British Borneo, and Netherlands India.) *Cable address, Canadian.*

British West Indies

Trinidad: M. B. PALMER. Address for letters—P.O. Box 125, Port of Spain. Office—Barclay's Bank Building. (Territory includes Barbados, Windward and Leeward Islands, and British Guiana.) *Cable address, Canadian.*

Jamaica: F. W. FRASER, P.O. Box 225, Kingston. Office—Canadian Bank of Commerce Chambers. (Territory includes the Bahamas and British Honduras.) *Cable address, Canadian.*

China

V. E. DUCLOS. Address for letters—P.O. Box 264, Shanghai. Office—Ewo Building, 27 The Bund, Shanghai. (Territory includes Central China and North China.) *Cable address, Canadian.*

Cuba

C. S. BISSETT. Address for letters—Apartado 1945, Havana. Office—Royal Bank of Canada Building, Calle Aguiar 367, Havana. (Territory includes Haiti, the Dominican Republic, and Puerto Rico.) *Cable address, Canadian.*

Egypt

HENRI TURCOT. Address for letters—P.O. Box 1770, Cairo. Office—22 Shari Kasr el Nil, Cairo. (Territory includes the Sudan, Palestine, Cyprus, Iraq, Syria, Iran, Greece, Turkey, Bulgaria, and Roumania.) *Cable address, Canadian.*

France

HERCULE BARRÉ, Commercial Attaché, 3 rue Scribe, Paris (9). (Territory includes French Colonies in North Africa.) *Cable address, Cancomac.*

Hongkong

P. V. McLANE. Address for letters—P.O. Box 80, Hongkong. Office—Hongkong and Shanghai Bank Building, Hongkong. (Territory includes South China, the Philippines, and Indo-China.) *Cable address, Canadian.*

Ireland

JAMES CORMACK, 66 Upper O'Connell Street, Dublin, Ireland (*cable address, Canadian*); and 36 Victoria Square, Belfast, Northern Ireland.

CANADIAN GOVERNMENT TRADE COMMISSIONERS—*Con.*

Italy

- A. B. MUDDIMAN, Via Manzoni Nr. 5, Milan (102). (Territory includes Spain, Portugal, Gibraltar, Malta, Albania, and Yugoslavia.) *Cable address, Canadian.*

Japan

- C. M. CROFT, Commercial Secretary. Address for letters—P.O. Box 18, Akasaka Post Office, Tokyo. Office—Canadian Legation, 16 Omotecho, 3-chome, Akasakaku, Tokyo. *Cable address, Canadian.*

Mexico

- R. T. YOUNG. Address for letters—Apartado Num. 126-Bis, Mexico City. Office—Edificio Banco de Londres y Mexico, Num. 30, Mexico City. (Territory includes Guatemala, Honduras, and Salvador.) *Cable address, Canadian.*

Netherlands

- J. A. LANGLEY, Commercial Attaché, Coolingsingel 111b, Rotterdam. (Territory includes Switzerland.) *Cable address, Canadian.*

New Zealand

- W. F. BULL. Address for letters—P.O. Box 33, Auckland. Office—Yorkshire House, Shortland Street, Auckland. (Territory includes Fiji and Western Samoa.) *Cable address, Canadian.*

Norway

- RICHARD GREW, Stortingsgaten 28, Oslo. (Territory includes Sweden, Denmark, and Finland.) *Cable address, Canadian.*

Panama

- H. W. BRIGHTON. Address for letters—P.O. Box 222, Panama City. Office—98 Central Avenue, Panama City. (Territory includes the Canal Zone, Venezuela, Colombia, Nicaragua, and Costa Rica.) *Cable address, Canadian.*

Peru

- M. J. VECHSLER. Address for letters—Casilla 1212, Lima. Office—Edificio Boza, Carabaya 831, Plaza San Martin, Lima. (Territory includes Bolivia, Ecuador, and Chile.) *Cable address, Canadian.*

South Africa

- Cape Town:* J. C. MACGILLIVRAY. Address for letters—P.O. Box 683. Office—New South African Mutual Buildings, 17 Parliament Street. (Territory includes Cape Province and Southwest Africa, Natal, Tanganyika, Kenya, Uganda, Mauritius, and Madagascar.) *Cable address, Cantracom.*

- Johannesburg:* J. H. ENGLISH. Address for letters—P.O. Box 715. Office—Prudential Assurance Building, 92 Fox Street. (Territory includes Transvaal, Orange Free State, the Rhodesias, Portuguese East Africa, Mozambique, and Nyasaland.) *Cable address, Cantracom.*

United Kingdom

- London:* FREDERIC HUDD, Chief Trade Commissioner in the United Kingdom, Canada House, Trafalgar Square, S.W.1. *Cable address, Sleighing, London.*

- London:* G. R. HEASMAN, Trade Commissioner, Canada House, Trafalgar Square, S.W.1. (Territory includes Home Counties, Southeastern Counties, and East Anglia; also British West Africa.) *Cable address, Sleighing, London.*

- London:* W. B. GORNALL, Fruit Trade Commissioner, Aldine House, Bedford Street, Strand, W.C.2. *Cable address, Canfrucom.* (Territory—for fresh fruit only—includes United Kingdom, Norway, Denmark, Sweden, France, Holland, and Belgium).

- London:* G. R. PATERSON, Animal Products Trade Commissioner, Canada House, Trafalgar Square, S.W. 1. *Cable address, Agrilcon.*

- Liverpool:* A. E. BRYAN, Martins Bank Building, Water Street. (Territory includes North of England, Lincolnshire, North Midlands, and North Wales.) *Cable address, Canadian.*

- Bristol:* E. L. MCCOLL, Northcliffe House, Colston Avenue. (Territory includes West of England, South Wales, and South Midlands.) *Cable address, Canadian.*

- Glasgow:* G. B. JOHNSON, 200 St. Vincent Street. (Territory covers Scotland.) *Cable address, Cantracom.*

United States

- New York City:* D. S. COLE, British Empire Building, Rockefeller Center. (Territory includes Bermuda.) *Cable address, Cantracom.*

- Chicago:* W. J. RIDDIFORD, Tribune Tower, 435 North Michigan Avenue. *Cable address, Canadian.*

- Los Angeles:* B. C. BUTLER, Associated Realty Building, 510 West Sixth Street. *Cable address, Canadian.*

Note.—Bentley's Second Phrase Code is used by Canadian Trade Commissioners.

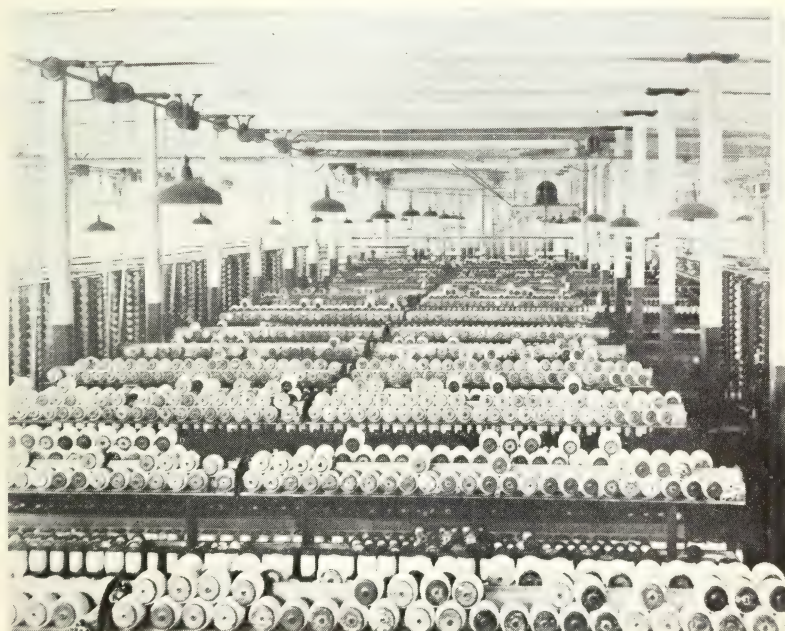
65
-1-

COMMERCIAL INTELLIGENCE JOURNAL

Vol. LXII

Ottawa, April 13, 1940

No. 1889



Spooling Room in a Quebec Textile Plant

ISSUED BY AUTHORITY OF
THE HON. W. D. EULER, MINISTER OF TRADE AND COMMERCE
JAMES G. PARMELEE, DEPUTY MINISTER



CONTENTS

	Page
Trade Commissioner in China to Visit Canada.....	535
Control of Canned Salmon and other Fish in the United Kingdom	535
Conditions in South Africa in 1939.....	539
Business Conditions in the Transvaal, 1939.....	543
Agriculture in Northern Ireland in 1939.....	546
Imports of Agricultural Machinery into the Netherlands.....	548
Mail to the Far East.....	552
Trade and Exchange Regulations in India, Burma and Ceylon	552
Japan's Sericultural Industry and Raw Silk Exports.....	556
Tariff Changes and Trade Regulations	557
Exchange Conditions in Foreign Countries:	
Mexico	562
Honduras	562
Foreign Exchange Quotations	563
Trade Inquiries for Canadian Products	564
Commercial Intelligence Service	565

COMMERCIAL INTELLIGENCE JOURNAL

Issued Every Saturday by the Department of Trade and Commerce

PUBLISHED in English and French. Subscription Price for either edition: \$1 per annum in Canada (single copies 5 cents each); \$3.50 outside the Dominion (single copies 10 cents each). Remittances, which may be made by Post Office or Express Orders, or Drafts, or Cheques, payable at par in Ottawa, should be addressed to the King's Printer, Government Printing Bureau, Ottawa.

Vol. LXII

Ottawa, April 13, 1940

No. 1889

TRADE COMMISSIONER IN CHINA TO VISIT CANADA

Mr. V. E. Duclos, Canadian Trade Commissioner in Shanghai (whose territory includes Central China and North China), is returning to Canada in July, when he will make a tour of the Dominion. Canadian firms wishing to have Mr. Duclos make investigations in their behalf before his departure from China should communicate with him as early as possible. Mr. Duclos' address for letters is P.O. Box 264, Shanghai.

CONTROL OF CANNED SALMON AND OTHER FISH IN THE UNITED KINGDOM

A. E. BRYAN, CANADIAN TRADE COMMISSIONER

Liverpool, March 7, 1940.—The Ministry of Food, which was created shortly after the outbreak of war, has power to set up government controls in respect to various articles of food, and already meats, bacon, cattle, flour, grain, cereals, butter, oils, fats and canned fish have been affected.

The methods of control vary to suit the particular circumstances of each branch of trade, and the organization is designed to encourage confidence and co-operation on the part of the trade concerned, and thus avoid as far as possible unnecessary inconveniences.

MAXIMUM PRICES

Even before the Ministry of Food was set up, the Food (Defence Plans) Department of the Board of Trade, which was later absorbed by the Ministry of Food, in pursuance of the powers conferred upon them by regulation 55 of the Defence Regulations 1939, and realizing the necessity for maintaining supplies and services essential to the national economy, issued the Canned Salmon (Provisional Maximum Prices) Order, No. 1104, which became operative on September 6, 1939.

Under this Order a schedule of maximum prices was established for all varieties of canned salmon. No person can sell or offer for sale or buy or agree to buy any canned salmon at any price exceeding the established or control price. Every person who sells canned salmon by retail shall keep posted inside his premises in a conspicuous place a notice stating the price in plain words and figures. No person shall, in connection with the sale or disposition or proposed sale or disposition of any canned salmon, enter or offer to enter any fictitious or artificial transaction or make or demand any unreasonable charge. The order does not apply to sales of canned salmon served as part of a meal by a caterer in the ordinary course of his catering business. Infringements of this Order are offences against the Defence Regulations 1939.

On December 27, 1939, a second order—Statutory Rules and Orders 1939, No. 1867—was enacted by which certain of the maximum prices set out in

the schedule were increased, so that the control prices of canned salmon now in effect are as follows:—

Price Schedule for Canned Salmon

Varieties	Containers	Maximum Wholesale Price per Case, ex wharf	Maximum Retail Price per Container
Grade 1—Sockeye, Red Alaska, Siberian and Japanese Red..	1s talls	62s. 6d. per case of 48 containers or equivalent*	1s. 7½d.*
	1s flats	62s. 6d. per case of 48 containers or equivalent	1s. 7½d.
	½s flats	75s. per case of 96 containers or equivalent	1s. 1d.
	¼s flats	51s. per case of 96 containers or equivalent†	0s. 8d.†
Grade 2—Fancy Chinook, Blue- backs, Redspring, King and Steelhead, Medium Red, Co- hoe, Silver and Chinook . . .	1s talls	43s. 6d. per case of 48 containers or equivalent	1s. 1½d.
	1s flats	43s. 6d. per case of 48 containers or equivalent	1s. 1½d.
	½s flats	48s. 6d. per case of 96 containers or equivalent	0s. 7½d.
	¼s flats	32s. 6d. per case of 96 containers or equivalent	0s. 5½d.
Grade 3—All varieties not other- wise mentioned in this column	1s talls	28s. 6d. per case of 48 containers or equivalent	0s. 9d.
	1s flats	28s. 6d. per case of 48 containers or equivalent	0s. 9d.
	½s flats	34s. 6d. per case of 96 containers or equivalent	0s. 5½d.

* Prior to Dec. 27 these prices were 51s. wholesale and 1s. 4d. retail.

† Prior to Dec. 27 these prices were 46s. 6d. wholesale and 7½d. retail.

It will be observed that the extent of official control is limited to the prices at which canned salmon shall be sold. There is no limit to the amount of salmon that may be imported, nor is the trade confined to any particular channels such as would be the case if imports were brought under full control as is the case now with butter, meat, cereals, etc. The present aim is to interfere as little as possible with the normal or regular trade but at the same time to control the price at which salmon is sold, so that the public can be assured of a plentiful supply at a reasonable cost.

CANNED SALMON FORTNIGHTLY STOCK RETURNS

In order to regulate prices, the Ministry of Food passed another order—the Canned Salmon (Returns) Order 1939, effective October 19, 1939—by which every person or firm having in his actual possession or personal custody, other than in a retail shop, or any person owning or having power to dispose of any canned salmon in a public or general warehouse, or any person having any canned salmon consigned or in transit to him shall, if the quantity thereof exceeds ten tons or 300 cases, furnish to the Ministry fortnightly (as from October 21, 1939) a return of all such canned salmon (for which purpose special forms are available), specifying the quantities, grades and descriptions thereof so held or owned by him or at his disposal or consigned or in transit to him, as the case may be, on such date. But the provisions of this order do not apply to any canned salmon consigned or in transit to a retail shop.

As everyone connected with the trade, other than the retailer, must furnish this information every two weeks, the Canned Fish Supplies Department, Ministry of Food, is familiar with the stock position at all times and can determine its policy accordingly.

ADVISORY COMMITTEE

In order that the Ministry of Food may have the benefit of advice from all sections of the country, an Advisory Committee was selected to meet once a month at the headquarters of the Canned Fish Supplies Department, Ministry of Food, No. 1, Temple Court, Liverpool.

EFFECT ON CANADIAN SALES

When the maximum prices were announced early in September the cost of Canadian salmon, particularly sockeye, allowed for no margin of profit when compared with the maximum prices allowed. Added to this was the difficulty due to the strengthening of Canadian exchange from \$4.68 to \$4.40, and the fact that, as a result of the production position in British Columbia, there was an increase in the price of Canadian salmon about the same time. Thus Canadian sockeye 1s flats were costing approximately 66s. ex store Liverpool as compared with the fixed price of 62s. 6d., while Canadian $\frac{1}{2}$ s were valued at 70s. 9d. in contrast with the maximum wholesale price set by the Control of 75s. Canadian sockeye $\frac{1}{4}$ s (on the basis of exchange at \$4.40) were costing approximately 46s. 2d. as against the established maximum wholesale price of 46s. 6d. Even Alaskan talls (with exchange at \$4.03) cost (September 15) about 54s. as compared with the maximum wholesale price of 51s.—too small a margin for safe operations.

On the other hand, Siberian reds $\frac{1}{2}$ s were costing about 56s., allowing ample margin as compared with the maximum wholesale price of 75s. Many firms that had been formerly featuring Canadian salmon were compelled to handle larger quantities of the other packs, which assured them a profitable turnover and at the same time counteracted their losses on the sale of spot stocks of Canadian salmon. Most of these firms have now adopted the policy of buying just sufficient Canadian sockeye to supply their best customers, as there is no incentive to import from Canada when the margin of profit is so small after paying landing charges, labelling costs and commissions.

Fortunately at the time price control was established stocks of new pack Canadian goods had not yet arrived and spot goods were scarce, and those firms which had any sockeye salmon preferred to hold it, believing that there would be an early upward revision in the price schedule which would enable them to clear without loss. However, no change has been made in the case of 1-pound flats, and most firms holding stocks have been compelled to sell at established prices, averaging their losses by the sale of the cheaper Japanese reds, which are still available at prices well below the maximum values.

Generally speaking the trade felt that, despite these price disparities the Canned Fish Supplies Department, in drawing up the schedule, had the best interests of the country in mind, their main objective being to supply canned salmon to the public at the lowest possible price.

There were some who thought that a separate price category should have been set up for Canadian salmon, particularly the top grades, in view of the fact that No. 1 Canadian sockeye has always been regarded as in a class by itself. But when the national interests were considered these firms later agreed with the United Kingdom authorities that it would be a mistake to increase prices, as this would not only be unfavourable to the consumer but would also eventually bring about increases in the prices of other varieties of tinned salmon.

PRICES INCREASED

The Canned Fish Supplies Department, when announcing the first schedule of prices, admitted that there were certain inconsistencies which would have

to be adjusted later, and on December 27, 1939, a second order, referred to above, was issued increasing the maximum wholesale price of reds 1s talls from 51s. to 62s. 6d., and $\frac{1}{2}$ s flats from 46s. 6d. to 51s. These have been the only changes since price control was established on September 6, 1939.

The control of salmon prices seems to have been working smoothly according to plan. The trade is generally pleased that the regulations have interfered so little with the normal conduct of their business. Although the total quantities of salmon sold show some falling off from the average of the past year, due to increases in the retail price which have made salmon prohibitive for some people formerly accustomed to using it, on the other hand, had it not been for price control the cost of salmon to the consumer would undoubtedly be much higher than it is to-day.

CONTROL OF OTHER CANNED FISH

In addition to tinned salmon the Canned Fish Supplies Department have made regulations affecting canned brisling, herrings, pilchards, sardines, and sild, whether packed in oil or tomato or a combination of both. Under Statutory Rules and Orders 1939, No. 1674, dated November 22, 1939, and cited as the Canned Fish (Returns) Order 1939, every person who has 100 cases or two tons gross weight of canned fish of this description in his possession or personal custody, otherwise than in a retail shop, or any person owning or having power to dispose of such quantity of fish in a public or general warehouse, or any agent of such person, or any person who has received notice or advice that such canned fish has been consigned or is in transit to him shall furnish to the Minister on November 25 and each successive fourteenth day thereafter a return of all such canned fish, specifying the quantities, grades and descriptions thereof as at the close of business on the specified day. This Order does not apply to canned fish consigned or in transit to a retail shop.

Although control of imports has not been instituted and, while no price schedule has yet been enforced with respect to canned brisling, herrings, pilchards, sardines, and sild, the Government may at a later date purchase all supplies of the above-mentioned canned fish for the United Kingdom. In that event it will sell to main suppliers for distribution to the wholesale and retail trade of the country.

It has been decided that these main suppliers shall be called "primary buyers." A primary buyer shall be a person, firm, or company who, during the three years ending August 31, 1939, purchased 75 per cent or more of his or their imported canned pilchards, herrings, sardines, brisling or sild direct from overseas or through brokers and during those years distributed 75 per cent or more of such goods through his or their own distributive organizations to secondary wholesalers or retailers, providing always that the total quantity concerned shall be of a reasonably substantial nature.

It will therefore be necessary for such persons or firms who consider that they qualify as primary buyers to make a return of their purchases and sales of these varieties of canned fish, on the lines set out above, to the Director of Canned Fish Supplies on or before March 26, 1940. The necessary forms may be had on application to the Director of Canned Fish Supplies. There is a possibility that information supplied may later have to be supported by an auditor's certificate.

CONDITIONS IN SOUTH AFRICA IN 1939

J. C. MACGILLIVRAY, CANADIAN TRADE COMMISSIONER

Cape Town, February 12, 1940.—Despite the seriousness of successive developments in the international situation, which culminated in the outbreak of the war, business conditions in the Union of South Africa maintained a fairly satisfactory level throughout 1939, and an adjustment has been made from a peacetime to a wartime economy with a minimum of disturbance notwithstanding a change of Government and a somewhat tangled political background.

The outbreak of hostilities in Europe had inevitably an unsettling effect on the normal economic life of the country. There was a dislocation in the marketing of large quantities of agricultural and pastoral products which are offered for export, while concurrently new sources of supply for imported raw materials and manufactured goods had, in many instances, to be developed. As a result of the war there was an increased demand for some commodities, while a decline in purchasing was reported in the case of others, such as luxury articles. At the close of the year, however, it was evident that these tendencies were being gradually corrected, and that the country's economy had, to a large extent, settled down under the new conditions.

Steps have been taken to combat any general increase in commodity prices, while a National Supply Board has been set up in connection with the securing of needed materials from overseas as well as from domestic sources. A new record of gold production was reached and the success of a conversion loan, the purpose of which was to prevent interest rates from rising unduly, was, under the circumstances, most striking and contributed largely to the stabilization of financial and economic conditions.

Emergency legislation has included the control of foreign exchange and a Bill designed to give the Government authority to take any steps considered necessary to control foreign trade. There has, however, been no interference with normal commercial transactions, and taxation increases have been confined to a levy on gold mine profits. When delivering his budget speech in March, 1939, the Minister of Finance predicted a gradual improvement after the slight recession which took place in 1938 and, despite the war and a certain amount of hesitancy which was evident during its first two or three months, this forecast has not proved wrong.

AGRICULTURE

The successful conclusion of an agreement between the Governments of the Union of South Africa and the United Kingdom, whereby the latter agreed to purchase wool at an average price of 10½d. per pound in the grease, has had a strengthening effect on the wool market and has offset the loss of the German market. Increased sales have been made to the United States, while Japanese and Italian buyers have also been active. Although there was an increased volume of wool exported during the 1938-39 season, a fall in price resulted in a lower return to the producers, which adversely affected the earnings of the farming community. As a result of the British agreement, however, and the increased demand caused by the war, prices have improved and the outlook is more favourable.

The official figure for the 1939 maize crop is 29,103,000 bags (of 200 pounds), the largest crop ever harvested. The outlook for the current season is also reported to be promising, and prices have stiffened. The recently harvested wheat crop was below normal, with an estimate of 15,830,000 bushels in comparison with 17,093,333 bushels a year ago, and as a result imports will again be necessary. Exports of citrus fruit for the season up to the end

of November amounted to 4,749,103 cases as against 3,584,243 cases in the preceding and corresponding period. Effective January 1, 1940, the citrus fruit industry has been placed under a Citrus Board which has been given comprehensive powers for its control, regulation and furtherance.

A further step in agricultural control has been the prohibition of the export of deciduous fruit unless such fruit be consigned to an agency designated by the Deciduous Fruit Board. Owing to restrictions on imports into the United Kingdom, an attempt is being made to divert a larger tonnage to the local market, and it is hoped that a normal clearance may be maintained.

Sugar exports were well behind the position of a year ago. On the other hand there was an improvement in shipments of hides and skins and wattle bark and wattle extract.

BUILDING

In comparison with the preceding year, there was a decrease of £3,085,000 to £17,864,000 in the value of building plans passed in municipal areas in the Union during the twelve months ending October, 1939. This decline was due to a partial cessation of speculative building immediately following the outbreak of the war. As a result, however, of the decision of the Government and municipal authorities to proceed with programs previously formulated, it is anticipated that the retrogression will be checked. The total value of the government building plan which is in hand is £6,000,000 and of this amount £1,600,000 will be expended during the current year. The Municipality of Cape Town is budgeting to spend £462,000.

RAILWAY EARNINGS

The South African State Railways enjoy a transportation monopoly; consequently their earnings are a good criterion of merchandise movements and general economic conditions. Towards the close of 1939 this income was above the level prevailing at the same time a year ago. Total earnings from April 1, 1939, to December 31, 1939, amounted to £25,617,391, or approximately £2,000,000 in excess of the figure for the same period in 1938.

MOTOR CAR REGISTRATION

Sales of new motor cars have declined since the outbreak of the war. This may be attributed to general apprehension as well as to the increasing cost of the vehicles and of fuel. The number of new motor cars registered in November was 1,444 as against a monthly average of 1,618 in 1938 and 2,044 in 1937. The total number of motor vehicles registered in 1939 was 395,179, made up of 316,628 passenger cars, 50,249 trucks, 1,763 buses, 1,087 tractors, and 23,425 motorcycles. The new car registrations included 26,890 from the United States, 3,856 from the United Kingdom and 2,336 from other countries.

EMPLOYMENT

There was a slight improvement during the period under review in industrial employment among European workers, the general index figure being 108 in November, 1939, as against 106 in November, 1938. These figures are expressed as a percentage of July, 1935, and are based on selected industrial establishments, including those working in metals, engineering, food manufacturing, textiles, building, power, leather, and vehicles.

The employment of non-Europeans has increased in the manufacturing industries but has declined as a whole, partly owing to the seasonal depletion of the native compounds on the Witwatersrand, where a labour shortage continues.

INSOLVENCIES AND LIQUIDATIONS

The trend of business insolvencies up to the end of October, which is the latest period for which data are available, tended to be above the normal level. In that month the total number was 90 in comparison with 60 in October, 1938. Sixty per cent of the total is accounted for by the failure of commercial enterprises.

Voluntary liquidations for the eleven months of the past year totalled 265 and involved a capital of £2,006,000. Comparative figures for the whole of 1938 were 267 and £3,608,000.

As regards the registration of new companies, the number of these recorded for the first eleven months of the year was 1,234 with a combined capital of £4,251,000. During the twelve months of 1938 new companies totalled 1,501 capitalized at £6,052,000.

FOREIGN TRADE

The preliminary external trade returns indicate a decline in imports but an increase in exports. The value of the former, excluding figures for Rhodesia and South West Africa and government stores, was £84,090,000, and the grand total for the year was £91,046,115, a reduction of approximately £4,500,000 in comparison with the preceding year when the value of imports was £85,100,597 and the grand total £95,614,316.

The value of merchandise exports in 1939 was £33,751,456 as against £32,407,817 in 1938, an increase of £1,344,639. There was a fall in the value of wool exports, but increases in the case of maize, hides and skins, and general merchandise. Taking gold into consideration and allowing for invisible items, the Standard Bank of South Africa estimates the net balance of payments for the calendar year as £18,900,000 in favour of the Union.

Among the ports at which imports were entered, Durban was first with £28,169,939; Cape Town came second with £17,102,784, and Port Elizabeth with £16,081,269 was third. Lourenco Marques, Johannesburg and East London each handled merchandise valued at from seven to five million pounds, while the remainder was accounted for by postal imports and entries at minor centres.

STATE REVENUE

Union revenue collections for the first nine months of the current fiscal year showed an increase of just under £1,000,000 in comparison with the corresponding period of the preceding year; the figures being £30,048,000 and £29,090,000, respectively. For the nine months of 1939 and 1938, customs and excise collections were, respectively, £9,432,000 and £9,426,000; posts and telegraphs, £4,214,000 and £4,070,000; and inland revenue, £16,401,000 and £15,502,000. Provincial income also registered a slight increase as against the April-December period of 1938.

State expenditure for the eight months ending November 30, 1939, amounted to £29,654,437, which was £1,542,542 in excess of the figure for the corresponding period of the previous year. The principal items accounting for the increase in expenditure were assistance to farmers, provincial administrations, and defence. The estimate of expenditure on the revenue account for the full year 1939-40 was placed at £44,442,014, an increase of £1,549,636 over the previous year's estimates.

The subscription lists of the conversion loan, to which reference has been made, were opened on November 10 for the purpose of redeeming the Union 5 per cent local registered stock 1940-50, amounting to £14,229,045, and to provide funds for capital expenditure on railways and harbours and other public works throughout the Union. The new loan will bear interest at 3½ per cent and is payable in 1950.

BANKING

The index of bank credit, as published by the Standard Bank of South Africa Limited, stood at approximately £240,000,000 at the beginning of 1939. After undergoing a customary seasonal decline during the early months of the year, it moved steeply upward until November; a down-swing then began which left it at roughly £261,000,000 at the close of the year. This index represents commercial bank deposits less advances to the Government but plus the Reserve Bank's holdings of foreign bills in excess of normal minus banker's free balances with the Reserve Bank.

The index of business activity, which is built on bank clearings plus Reserve Bank note circulation and which has been rising steadily but gradually during the past five years, continued on its course in 1939. At the beginning of the year it stood at 153; at the close of the first quarter it had moved down several points but then rose until the beginning of the fourth quarter of the year, when the economic effects of the outbreak of war slowed it up and it closed at 158.

The Clearing House returns for Johannesburg, South Africa's largest city, were £42,399,000 in November, 1939, as against a monthly average of £48,432,000 in 1938. For all the other leading cities, however, with one insignificant exception, November clearings were ahead of the monthly average of the previous year, and an increase in comparison with the preceding month is an indication of the return of business confidence.

Demand deposits in all South African banks amounted to £83,390,444 at the end of November, 1939, in comparison with £80,291,000 at the close of 1938. Time deposits were, on the other hand, slightly lower, the respective figures being £17,077,750 and £17,353,000. Non-interest bearing deposits with the Reserve Bank, which stood at £35,600,000 at the end of 1938, had contracted to £10,500,931 in November, 1939, indicating a marked reduction in idle capital. At the close of November, 1939, the total liabilities of the South African Bank to the public amounted to £31,867,690 as against advances and discounts of £59,680,768.

PRICE MOVEMENTS

The wholesale price index for all groups of commodities continued on the slight up-swing which has been noticeable since 1936. In 1937 the figure was 1,174; in 1938, 1,174; while in November, 1939, it was up to 1,212. The tempo on increase has quickened since the outbreak of the war and is particularly noticeable in the case of imported goods, prices of domestic products remaining relatively steady. As regards individual commodities, metals have registered the biggest increase, followed by jute, leather, hides and skins, and soft goods.

The retail price index, after weakening during the period from January to August, showed a sharp forward movement, and at the close of the year stood at 1,004 in comparison with 906 at the end of 1938.

OUTLOOK FOR 1940

The economic future of the Union of South Africa, while subject to war-time uncertainty, is not on the whole unfavourable, and if hostilities do not spread to Africa the current year should witness a continued upward movement. Difficulty may be encountered in obtaining adequate supplies of certain raw materials and in marketing some agricultural products such as fruit. Conversely, the outlook for wool, hides and skins, and live stock is brighter and is likely to remain so as long as the war continues. Domestic industry is being stimulated, plant is being extended and new undertakings established. A prolonged war will result in an extension of South African manufacturing. The

future of gold mining is clouded by the issue of taxation, which is stated to be hampering production and preventing the operation of marginal properties. From the point of view of direct Canadian interest, however, the general outlook is definitely propitious, and as long as shipping remains uninterrupted and supplies are available the Union will continue to absorb substantial imports from Canada.

BUSINESS CONDITIONS IN THE TRANSVAAL, 1939

J. H. ENGLISH, CANADIAN TRADE COMMISSIONER

Johannesburg, February 12, 1940.—The year 1939 was one of generally prosperous conditions and activity in the Transvaal, South Africa. Production figures of the gold mining industry, the mainstay of the country, were higher than ever previously recorded, and although unusually heavy taxation was imposed upon the mines, the industry ended the year on a prosperous note. New mining development, however, was seriously restricted as a result of continued depressed conditions in the mining stock exchange, principally because of the decision of the Government to appropriate to the Treasury the total amount by which sales of gold exceeded 150 shillings per fine ounce.

Other business activity in the Witwatersrand area, being largely dependent upon gold mining, experienced a relatively prosperous year despite declines in certain directions. Wholesale and retail trade, following a setback during the first month or two of the war, recovered by the end of the year, and the trend was reported to be satisfactory.

GOLD MINING

The remarkable results achieved by the gold mining industry in 1939 are particularly important, since besides contributing very extensively to local employment directly and through its vast purchases of supplies, it pays heavily in taxation to the maintenance of the State. Official figures which have now been released show that the production of gold in 1939 at 12,819,344 fine ounces established an all-time high record for this industry. This represents an increase of 662,715 fine ounces over production in 1938, which up to that time was a record. The figures of tonnage milled and gold recovered during the years 1935 to 1939 are as follows:—

Year	Milling Tons	Yield Fine Oz.
1935	44,598,050	10,776,634
1936	48,610,620	11,339,411
1937	51,129,650	11,740,891
1938	54,274,850	12,156,629
1939	58,340,200	12,819,344

These figures amply illustrate the great expansion which has taken place in the industry during recent years. Under present conditions this is a doubly important achievement. As a factor in the Empire's successful prosecution of the war the increasing production of gold is of paramount value. To South Africa, too, it is of great importance, for besides being the chief contributor to the country's prosperity, the gold mining industry annually pays in taxation some £13,000,000 to the nation's exchequer.

GOVERNMENT REGULATION AND TAXATION

The gold mining industry has, from its inception 55 years ago, always been subject to heavy taxation by the State. In a normal year, for example 1938, the revenue returned to the Government totalled £13,664,949. During 1939, as sterling continued to decline in value in relation to the value of gold, or as,

conversely, the price of gold steadily rose, the Government introduced legislation requiring that all gold mined in South Africa must be sold through Government channels at a fixed price of 150 shillings per fine ounce. Following the declaration of war the price of gold rose to 168s. per fine ounce, at which figure it appears to have been stabilized. At this figure it meant that, in addition to the existing taxation, the Government was to receive as revenue from the industry the difference between the fixed price of 150s. and the actual market price. At the close of the year this amounted to 18s. per fine ounce, less certain handling charges estimated at 5s. per ounce. In other words the increase in the value of gold to its present figure has resulted in an increase in Government revenue from this source of from £700,000 to £800,000 per month. On the present rate of production of about 1,100,000 fine ounces per month, this means an annual additional taxation of nearly £9,000,000.

At the present valuation of gold the 1939 production was worth £96,326,414. Of this enormous sum the Government will take a total of approximately £20,000,000 on a basis of a full year's taxation under the present scale. In view of the heavy government financial commitments arising out of the war, this additional revenue is especially acceptable.

The principal drawback to the new taxation is said to be its restricting effect upon new gold-mining enterprises. The development of new mines is essential to the maintenance of the country's present high output, since the yield from the older Witwatersrand areas is now showing a decline. The new taxation, however, makes the working of low-grade producers unattractive, while a restricted price for gold of 150s. per ounce has largely stultified the money market so far as new mining enterprise is concerned. Rapidly rising mining costs are an additional matter of concern to operating mines and are likely to be taken into consideration by the Government in any readjustment of the present heavy tax.

EMPLOYMENT

The gold mining industry is a heavy employer of labour, the number of persons in employment at the end of the year totalling nearly 400,000; of this number nearly 350,000 were natives and the balance Europeans. Employment in the Transvaal was maintained at a high level during the year.

SECONDARY INDUSTRIES

According to the view expressed recently by the President of the Pretoria and Northern Transvaal Chamber of Industries, great industrial expansion is likely to result from the war. Even during the past year a substantial increase took place in the number of industrial undertakings established in the Transvaal, and it is altogether likely that the outbreak of war in Europe and the consequent difficulties experienced in obtaining supplies from overseas will result in the speeding up of the industrialization of this province.

Among the products of the manufacturing plants established during 1939 the following are of chief importance: footwear; foundry castings; electric heating elements; unit heaters and ventilators; cycle frames; toilet requisites; wire goods; brooms and brushes; mattresses; chlorine; food products; cyanamid; carbon paper; clothing; beehives; wood veneer and silica brick.

IRON AND STEEL PRODUCTION

Iron and steel production in South Africa is largely centred in the Transvaal, where several years ago, with government encouragement and backing, the industry was established. Since then there has been steady and rapid progress, and during the past year the production of steel ingots reached a total of 344,267 tons, an increase over the figure for the preceding twelve months of more than 12,000 tons. This total, however, represents only about one-third of the country's steel requirements.

In addition to steel ingots the Transvaal industry in its several plants produces a wide range of iron and steel products which are constantly being added to.

Expansion of the existing productive facilities has long been the aim of those in charge, and recently it was announced that as a result of the steady improvement in the output capacity of the rolling mills a much larger tonnage of steel could be rolled than was available. Consequently, in order to increase the ingot output and reduce production costs, it had been decided to install a converter plant to work in conjunction with the open hearth furnaces under what is known as the "duplex" process. The completion of this plant during 1940-41 is expected to give an additional ingot output of 100,000 tons per annum.

The establishment of a new steel and ferro-alloy production plant at an estimated cost of £5,000,000 is contemplated in order to make the steel industry absolutely independent for all raw materials. The object of the new company is to make these ferro-alloys and also to make more steel, but steel of a kind which cannot be made by the Iron and Steel Corporation at Pretoria.

A new wire works is also projected with an initial production of about 35,000 tons of wire per year, representing nearly half of South Africa's requirements. The establishment of this plant is of interest to Canada, since the Dominion has always been an important supplier of galvanized wire to this country.

BUILDING

Building continued in a relatively prosperous condition in Johannesburg, the country's largest city, during 1939. During the year, according to official figures now issued, 8,375 building plans with a value of £4,890,701 were passed by the Johannesburg municipality. The value was well above the average before the Union abandoned the gold standard in 1932, but in comparison with 1938, when the figure was £7,781,772, it shows a decline of over 50 per cent. The peak year for new building construction was 1937, when the value of plans passed reached £11,003,956.

In Pretoria building was active during 1939, and the value of permits issued was £1,612,000 as compared with £1,400,000 in 1938. The 1939 total was reported to be the second highest recorded, with the exception of 1936, for many years past.

The decline in building in the Transvaal towards the end of 1939 coincided with an expansion in construction by the Union Government, now engaged in substantial construction work for military camps, aerodromes, etc. No figures showing the value of government construction work are at present available.

OUTLOOK FOR 1940

Leading authorities are confident that the measure of prosperity experienced by the Transvaal during 1939 will continue uninterrupted during 1940. Being so largely dependent upon the gold-mining industry, there appears to be no reason to doubt that the Transvaal will continue to benefit from the prosperous condition of mining. Nevertheless the war and the heavy government expenditure involved will almost certainly have an adverse effect on conditions.

Although the Transvaal has developed a large and important group of secondary industries which are chiefly dependent for their maintenance and prosperity on the mines, the fact that probably 50 per cent of their raw materials must be imported is an important consideration, since rising prices of overseas products directly affect the position of the mines and their ability to maintain purchases. On the whole, however, it may be reasonably expected that business conditions in the province will not be appreciably below the standard established during 1939.

LIVE STOCK

The total number of cattle in Northern Ireland in 1939 was 753,000 as compared with 732,000 in 1938. In the earlier part of the year cattle prices showed little variation from those of the previous year, but in November the departmental index number stood higher by some 10 per cent and has increased considerably since. Sheep prices advanced at nearly double that rate. Increased pig production was encouraged by the Government's schemes. The number of sows in the county reached the high figure of 63,000, and Northern Ireland curers have handled a record number of pigs. Grading under the Bacon Industry Act was discontinued in September, and a regulation of the Pig Industry Council, effective December 4, fixed producers' prices.

On and after January 15, 1940, all pigs in Northern Ireland intended for slaughter for human consumption and all pig carcasses will be purchased at specified prices by or on behalf of the Ministry of Food, for whom the Ministry of Agriculture in Northern Ireland will act as agents. All live pigs intended for slaughter must be brought to the authorized collecting centres in Northern Ireland and be purchased by the government buyers. Pig carcasses may continue to be sold to curers as at present, all existing roll and ham curers being especially authorized to purchase pig carcasses. Every producer who wishes to sell pig carcasses must, however, obtain a carcass card from the curer before he slaughters his pig. A curer will be precluded from purchasing a pig carcass unless it is accompanied by a carcass card.

DAIRY INDUSTRY

The year 1939 was relatively prosperous for the milk industry, and the Joint Milk Council was able to maintain remunerative prices, the yearly average for all grades being over 1s. 2d. per gallon. More grade B milk was sold for liquid consumption, and the output of grade C for manufacture increased at the expense of grade D. The average price of grade C milk sold to creameries was increased by equalization and bonus payments to 8½d. per gallon in winter and 7d. per gallon in summer, and the creamery intake is now about 30 per cent above the 1934-35 figure. The Milk and Milk Products Act of that year has brought steadily increasing prosperity to this branch of the agricultural industry.

Last year considerable progress in the egg and poultry industry was reported, and Northern Ireland eggs began to achieve a prominent place in British markets. The continuance of payment on a quality basis contributed towards raising and stabilizing prices and encouraging producers. Following the fixing of maximum prices of eggs by the Ministry of Food at the beginning of November, the index figure at the end of that month stood at 103 as compared with 84 at the corresponding date in the previous year.

OATS

Prices of oats rose sharply on the outbreak of war, the index figure for November being 126 as compared with 72 a year previously.

In January, 1940, the Minister of Food made an Order prescribing that the maximum price to be paid to a grower for seed oats grown in Northern Ireland shall be 16s. per cwt., and that the maximum price to be charged by an approved buyer for seed oats similarly grown shall be 17s. per cwt. Pedigree seed oats are excluded from the provisions of the Order. An acute shortage of animal feed occurred at the end of the year, with effect on pig producers particularly. At the same time the price of feed increased sharply over the prices fixed in September, 1939, by the Feeding Stuffs Order.

POTATOES

Potato prices improved considerably in the latter half of the year, the November index figure standing at 98 as compared with 77 at November, 1938.

FLAX

The flax crop of 1939, despite the efforts of the Flax Development Committee, was far short of the potential maximum yield, and early 1939 returns of some £14 to £15 per acre for good quality fibre were not sufficiently attractive to increase the acreage of this the major cash crop of Northern Ireland. Supplies of flax from Russia were expensive and scarce, the Soviet policy apparently being to export dear flax but cheap linen. The Government of Northern Ireland have been experimenting with a new form of scutching by turbine, under Belgian instruction, in the hope that more efficient methods may be introduced. Northern Ireland spends nearly £4,000,000 per annum on the imported product. Since the outbreak of war, flax has been controlled by the British Ministry of Supply, and the Minister has stated in reply to complaints that the price paid was much too low, that it has averaged £110 per ton for 1939 against £70 to £80 previously. From the United Kingdom point of view production of foodstuffs is more important than production of flax, but among the flax and linen interests of Northern Ireland there is a keen desire to maintain the industry against increasing competition from Belgium, Sudetenland and Russia.

IMPORTS OF AGRICULTURAL MACHINERY INTO THE NETHERLANDS

W. G. STARK, ASSISTANT COMMERCIAL ATTACHÉ

Rotterdam, February 15, 1940.—The demand for agricultural machinery in Holland does not appear to have been unduly affected by the outbreak of hostilities in Europe. Netherlands farmers continue to buy equipment, apparently preferring to spend their ready cash for implements they require rather than have it lie idle. This is confirmed by recent trade statistics, and in the case of several types of machinery there have been decided increases over the 1938 imports.

The following table shows total imports into the Netherlands of the various items of agricultural equipment and their distribution by principal sources of supply during the years 1938 and 1939:—

Ploughs and Harrows, Horse-drawn, Including Parts

	1938		1939		1939	
	Value Fl. 1,000	No. of Units	Value Fl. 1,000	No. of Units	Av. Value per Unit Fls.	Av. Value per Unit Can.\$
Total	383	10,083	476	11,683	40.75	22.40
Germany	240	7,630	338	9,324	36.25	19.94
Belgium	102	1,619	104	1,509	68.92	37.90
France	10	135	19	271	70.00	38.50
Czecho-Slovakia	6	232	...	...	...	...

Ploughs and Harrows, Mechanical, and Parts

	1938		1939		1939	
	Value Fl. 1,000	No. of Units	Value Fl. 1,000	No. of Units	Av. Value per Unit Fls.	Av. Value per Unit Can.\$
Total	151	482	200	683	292.84	161.06
Germany	62	167	65	206	315.53	173.54
Great Britain	21	60	42	127	330.70	181.88
United States	28	116	42	177	237.29	130.51
Czecho-Slovakia	9	50	...	...	...	...

Seeding Machines and Parts, Horse-drawn, and Mechanical

	1938		1939		Av. Value per Unit Fls.	Av. Value per Unit Can.\$
	Value Fl. 1,000	No. of Units	Value Fl. 1,000	No. of Units		
Total	123	765	235	1,353	174.42	95.93
Germany	68	447	105	666	157.66	86.71
Czecho-Slovakia.. . . .	35	223	...	...	...	...

Self-binders, Mowers and Parts, Horse-drawn, and Mechanical

	1938		1939		Av. Value per Unit Fls.	Av. Value per Unit Can.\$
	Value Fl. 1,000	No. of Units	Value Fl. 1,000	No. of Units		
Total	277	545	537	862	622.97	342.63
Germany	214	425	422	627	673.04	370.17
France	8	19	58	119	487.39	257.06

Mowers and Parts (Excluding Self-binders), Horse-drawn, and Mechanical

	1938		1939		Av. Value per Unit Fls.	Av. Value per Unit Can.\$
	Value Fl. 1,000	No. of Units	Value Fl. 1,000	No. of Units		
Total	846	5,067	653	3,862	169.08	92.99
Germany	628	3,744	440	2,577	170.74	93.91
Belgium	3	11	6	27	222.22	122.22
Great Britain.. . . .	25	40	23	67	343.28	188.80
France	36	251	47	337	139.46	76.70
Sweden.. . . .	94	707	75	629	119.23	65.58
Switzerland	7	31	12	52	230.77	126.92
United States.. . . .	36	81	41	78	523.64	228.00
Soviet Russia	11	138	...	...	...	...

Hay Forks and Tedders, Horse-drawn, and Mechanical, and Parts

	1938		1939		Av. Value per Unit Fls.	Av. Value per Unit Can.\$
	Value Fl. 1,000	No. of Units	Value Fl. 1,000	No. of Units		
Total	308	2,398	272	2,439	111.52	61.34
Germany	52	455	54	500	108.00	59.40
Great Britain	186	964	119	626	190.09	104.55
France.. . . .	61	854	92	1,258	73.13	40.22

Threshers and Parts

	1938		1939		Av. Value per Unit Fls.	Av. Value per Unit Can.\$
	Value Fl. 1,000	No. of Units	Value Fl. 1,000	No. of Units		
Total	232	298	315	363	867.77	477.27
Germany	194	261	283	340	802.91	441.60
Belgium	9	26	14	18	777.77	427.77

Miscellaneous

	1938		1939		Av. Value per Unit Fls.	Av. Value per Unit Can.\$
	Value Fl. 1,000	No. of Units	Value Fl. 1,000	No. of Units		
Total	541	9,685	791	15,353	51.52	28.34
Germany	389	7,681	548	11,650	47.04	25.87
Belgium.. . . .	71	1,316	101	2,375	42.42	23.31
France	20	217	53	409	129.58	71.27
United States.. . . .	21	138	38	418	90.90	50.00

NOTE.—Conversions have been made at fl.1.80 equals \$1, or roughly \$0.55 equals fl.1.

The last two columns of the above table are an estimation of the average value per unit expressed in both Netherlands currency and the Canadian dollar equivalent. The conversion rate used is an average taken over the twelve months of 1939, as there has been considerable fluctuation since the

outbreak of hostilities. The estimates given are, of course, only approximate, being obtained by dividing the total declared c.i.f. value by the number of machines.

NOTES ON THE ITEMS IMPORTED

PLOUGHS AND HARROWS, HORSE-DRAWN

From the foregoing table it will be seen that 1939 imports under this heading have advanced approximately 25 per cent in value over those of the preceding year. While there was an increase of approximately 16 per cent in the numbers of units, the quantities supplied by the individual countries vary. In so far as Germany is concerned, increases were approximately 40 and 22 per cent, respectively, although these increases may possibly be due to the inclusion among imports from Germany of 1939 arrivals of protectorate origin. Belgium's contributions showed little change and, while France's share is small, it will be noted that last year's imports are practically double those of 1938.

From the average price per unit Germany apparently supplies a cheaper product under this heading, those from Belgium and France being on a higher and more or less equal plane.

MECHANICAL PLOUGHS

It will be observed that the 1939 value of imports of mechanical ploughs increased about $33\frac{1}{3}$ per cent over that for 1938, whereas the number of units moved up about 42 per cent. Arrivals from Germany have declined when 1939 totals are compared with the sum of the 1938 imports from Germany and Czecho-Slovakia. Supplies from Great Britain have more or less doubled in value and number, while from the United States there has been an increase of around 50 per cent in both value and number of units. In this group the United States appears to supply the lowest priced machine, the greater number of higher valued ones coming from Germany.

SEEDING MACHINES

Imports of seeding machines also show a decided advance, moving up by almost 90 per cent in value and around 76 per cent in number. Imports from Germany in 1939 approximated the combined imports in 1938 from Germany and Czecho-Slovakia. The preliminary statistics do not show the origin of the other 687 machines, valued at fl.130,000, which go to make up the total of 1,353 imported in 1939, although from the complete returns for the preceding year it might be assumed that they came from Great Britain, Belgium, Denmark, and Hungary.

SELF-BINDERS AND MOWERS

Imports of self-binders and mowers have also advanced importantly. The increase in value for 1939 amounts to almost 100 per cent, and in units to approximately 60 per cent. Germany supplies the greater proportion of these machines, arrivals from that country having increased by about 100 per cent in value and 47 per cent in number. France, although forwarding a much smaller quantity, has increased her share of the imports into this market in the last year almost sevenfold in value and sixfold in number. It is apparent from the price figures that the French self-binder is sold for considerably less than the German product.

MOWERS (EXCEPTING SELF-BINDERS)

Mowers are the only item the imports of which appear to have dropped off to any extent in 1939; both in value and number there was a decrease of

approximately 25 per cent. The statistics show that these machines are imported from a considerable number of countries, although Germany is responsible for about two-thirds of the total imports. Some mowers are imported from Sweden and France, with lesser quantities from the United States, Great Britain, Switzerland, and Belgium. From the average price figures it will be noted that Sweden and France are the only countries supplying at a price lower than Germany's.

HAY FORKS AND TEDDERS

Imports of hay forks and tedders decreased by approximately 12 per cent in value and 2 per cent in number. German participation advanced in value by about 4 per cent and in number of machines by 10 per cent. Imports from the United Kingdom showed a decline of almost one-third in both value and quantity as compared with 1938. Purchases from France, on the other hand, advanced by 50 per cent in both value and number of units. The French products are considerably cheaper than the German and approximate only about two-fifths of the price of those from Great Britain.

THRESHERS

Imports of threshers showed an increase of over 35 per cent in value and about 22 per cent in number of machines. Supplies from Germany advanced by about 44 per cent in value and 30 per cent in number. Belgian supplies showed an increase of 55 per cent in value but a decrease of 30 per cent in number. It will be noted that the values per unit of the machines from both sources are fairly close, but that Germany is by far the leading supplier.

MARKETING METHODS

The marketing of agricultural machinery in the Netherlands is mainly in the hands of six or seven well established importer-wholesaler concerns who distribute to the farmers through their local agents. Most of these companies have been handling well-known lines for a considerable number of years and are not particularly interested in representing manufacturers with whom they have not previously dealt. In addition there are several farmers' co-operatives which were founded with the idea of eliminating all middlemen.

CANADIAN MACHINES

There are few direct imports of agricultural machinery from Canada; trade which came formerly from the Dominion is now handled principally by the French affiliate factory of one of the larger firms. An important United States concern whose products are well known in Canada through their branch plant in the Dominion also ships to Holland through a subsidiary company in Germany. In 1938 the trade returns showed a total of 20 self-binders, valued at fl.11,000, as coming from the Dominion. During the past year there have been some imports of Canadian ploughs, although the total is not large.

DOMESTIC MANUFACTURE

There is practically no domestic manufacture of agricultural machinery in Holland, although a number of blacksmiths' shops turn out about 5 or 10 per cent of the ploughs sold annually. Small concerns also probably account for around 10 per cent of the threshing machines and 15 per cent of the harrows. These shops employ only two or three workmen, with the exception of one or two which have about twenty. The Netherlands is practically dependent, therefore, on imports.

MAIL TO THE FAR EAST

V. E. DUCLOS, CANADIAN TRADE COMMISSIONER

Shanghai, February 28, 1940.—Canadian exporters interested in the China market are advised that a cable has been received by the United States Consul General at Shanghai from the United States State Department at Washington stating that five consignments of mail to the Far East, despatched from Pacific Coast ports during the period October 26 to January 31, are missing. Although definite confirmation is at present lacking, it is believed that part of the lost mail was shipped on the SS. *President Quezon*, which sank off the coast of Japan in February. It is suggested that any firms who addressed letters to the offices of the Canadian Trade Commissioners at Shanghai and Hongkong during the above-mentioned period should send duplicate copies in case their originals were included in the mail bags which have gone astray.

TRADE AND EXCHANGE REGULATIONS IN INDIA, BURMA AND CEYLON

PAUL SYKES, CANADIAN TRADE COMMISSIONER

India

Calcutta, March 6, 1940.—Canadian trade with India has been singularly free of interference or interruptions resulting from import and exchange regulations. Immediately following the outbreak of war the Government of India took various steps to regulate trade and exchange transactions. Policies followed have been similar to those adopted in the United Kingdom, the Dominions, Colonies, and Protectorates; but their interpretation and operation have had practically no effect on Canadian export business to this country.

Among the many powers assumed by the Government under the Defence of India Ordinance, 1939, issued in a Gazette Extraordinary on September 3, were the control of trade by sea, the power to prohibit or restrict the import and export of goods, and authority to control the purchase and ownership of foreign exchange as well as the purchase, ownership, and export of securities. The principal effects of these regulations in so far as Canadian trade with India is concerned are summarized below.

TRADE REGULATIONS

The Government's power to control import and export trade has in practice been exercised rather to regulate exports of Indian goods than to interfere in any way with ordinary import transactions. Exports to all enemy territories, whether made directly or indirectly, were prohibited immediately following the issue of the Defence of India Ordinance. This regulation was followed by the imposition of restrictions on exports by sea, except under licence, of raw wool, jute, hemp, flax, and other textile materials, a wide range of metals and ores, various chemicals, aircraft, wireless apparatus, motor vehicles, and other essential commodities. Subsequent amendments extended these regulations to cover exports by overland routes, except to contiguous territories in which the goods were to be consumed; permitted unregulated exports of a variety of the above products in the case of Empire countries and in cases where the articles could be regarded as ships' stores or personal effects; allowed *bona fide* transshipments of them at Indian ports; exempted export transactions when certain of the goods were of domestic manufacture; permitted uninterrupted transfer of all commodities between India and Burma; and specified the authorities by whom export licences might be issued. Several minor alterations have subsequently been made in these regulations and there are still,

of course, various restrictions on the export of gold, silver, coins, and securities to which reference is made later in this report, but at the date of writing the rules remain substantially the same as originally issued. Their effect on India's trade with Canada has been negligible.

Restrictions on import transactions have to date given small cause for apprehension as to disturbance of the *status quo*. Apart from routine regulations regarding trading with the enemy and the disposition of cargoes on enemy vessels interned in neutral ports, the only regulation of any importance, apart from those having to do exclusively with exchange matters, provides for the production of certificates of origin and interest in respect of imports from neutral countries in Europe.

The general situation, therefore, with regard to the Indian Government's regulations affecting trade, is that Canadian imports are subject to no restriction whatsoever and that exports of Canada's normal requirements of Indian products may be continued without interruption, except in the case of a few metal manufactures and of raw wool, for which export licences will normally be available.

EXCHANGE REGULATIONS

In the case of foreign exchange control the basic policy of the Indian Government has been one of close co-operation with the exchange control authorities in the United Kingdom and throughout the Empire in the conservation of monetary and credit resources, the maintenance of prescribed rates of exchange, and in causing a minimum of interference with ordinary commercial transactions. The preliminary step taken by the Government to control transactions in foreign exchange was the delegation to the Reserve Bank of India of authority to direct and supervise this business. The Reserve Bank subsequently restricted all operations in foreign exchange to a specified number of authorized dealers who, in practice, are the recognized exchange banks and certain joint-stock banks. Instructions to these dealers provided that there should be no restrictions on dealings in Empire currencies with the exception that those in Canadian, Newfoundland, and Hongkong dollars should be subject to the same rules as applied to non-Empire currencies. Transactions in the latter are restricted to genuine trade purposes, travelling expenses, and small personal remittances.

The rules issued under the Defence of India Ordinance, 1939, provide for the acquisition by the Government, through purchase by the Reserve Bank, of such foreign exchange as may be held by any persons resident in the country. The same rules prohibit the purchase of securities from abroad or the export of securities either in actual form or through transfer of ownership. There is provision as well for the compulsory registration of foreign security holdings and for the transfer of ownership of them to the Government should such action be deemed necessary.

The exercise of powers under these rules by the Reserve Bank has to date been restricted to its requirement that banking accounts in foreign currencies should be registered and that all foreign securities held by British and British Indian subjects should be reported. The disposal within the country of such securities held by any British subjects has also been prohibited. No action on the part of the exchange control authorities to acquire ownership of holdings of foreign currencies or securities has yet been taken.

Additional regulations in connection with foreign exchange control have subsequently been issued by the Government and the Reserve Bank. Two of these provided for the prohibition of import and export transactions in gold coin, bullion, and ingots, and of imports of silver bullion and sheets. Minor restrictions have been also placed on the transfer of funds by money order. Formal control of foreign exchange business, however, has taken for the most

part the form of instructions issued to dealers by the Reserve Bank, most of which are of only local interest. The net result of the regulations has been the transfer to London of a considerable measure of control over India's foreign exchange resources and close co-operation with the remainder of the Empire in giving all possible support to the pound.

India's control of foreign exchange has had little effect, if any, on Canadian business with India. The necessity for importers of Canadian products to obtain licences for payment is a matter of form only and has caused no practical inconvenience or delay. Licences for the payment of Canadian dollars for *bona fide* purchases are granted freely and similar licences for sterling transfers to London are obtainable at any time. Letters of credit can be established in Canadian dollars in Canada or in sterling in London simply through the provision of evidence that the transfer is for legitimate trade purposes and of an undertaking that documentary proof of the completion of the transaction will be produced when possible.

Some Canadian exporters have apparently misunderstood the regulations of the Canadian Foreign Exchange Control Board or have been misinformed regarding the collection of payments for shipments made to this country. Drafts covering shipments to India must be in Canadian dollars for payment in Canada or in sterling for payment in London. The Reserve Bank of India will not permit payment for Canadian goods to be made except in this manner. Quotations should accordingly be made to local connections in Canadian dollars or sterling, or if made in United States dollars should provide for the payment of Canadian dollars in Canada or of sterling in the United Kingdom at current equivalents of United States currency.

Burma

The regulations of the Burma Government affecting trade and exchange are generally similar to those in force in India. It will be recalled that, on the separation of the two countries some three years ago, it was mutually agreed that goods should be exchanged between them as before and that, except in unusual circumstances, one country should not increase or otherwise alter its customs tariff without reference to the other. This understanding has applied to the issue of wartime regulations affecting trade and the position to-day with regard to Canadian imports into Burma is the same as in India.

The Reserve Bank of India operates in Burma as well as in India and the powers delegated to it by the Burma Government at the outbreak of war were the same as those conferred by the Indian Government. Exchange transactions in Burma are accordingly subject to the same restrictions as in India and payments for Canadian goods by importers in the Burma market can be arranged in the same way as by Indian firms.

Ceylon

The situation in Ceylon with regard to trade and exchange regulations differs widely from those in India or Burma. As a Crown Colony, rather than a self-governing unit of the Empire, Ceylon remains subject to instructions issued by the United Kingdom Government, although it is to be noted that the Government of Ceylon has secured a large measure of independence so far as domestic administration is concerned. In the present case, however, trade and exchange regulations enforced subsequent to the outbreak of war have emanated from London and are no doubt generally similar to those in force throughout the British colonies. Complete information on the subject is not available, but a summary statement on the more important aspects of the regulations is given herewith.

TRADE REGULATIONS

Prior to and shortly after the outbreak of war the Ceylon Government issued various regulations under the Emergency Powers (Defence) Act, 1939, and the Emergency Powers (Colonial Defence) Order in Council, 1939. These dealt in the first place with the sale for export of coal and oil fuel and prohibited such transactions except under licence. Subsequent notifications referred to the control of contraband cargoes, trade with the enemy, the necessity of declaring the destination of exports, and the limitation of exports of several of Ceylon's most important commodities to Empire countries except under special licence. These regulations were supplemented on October 30 by the issue of the Defence (Control of Import) Regulations which have since exercised drastic effects on the Colony's imports from Canada and all non-British countries. They provided for the appointment of a Controller of Imports and gave him complete authority to prohibit the importation of a wide range of specified commodities and in particular to prohibit their import from Canada as well as from all countries outside the British Empire. They provided also for the issue of licences covering importation of certain goods, which was to be allowed under special conditions. Further notifications classified a large number of Ceylon's commodity imports as (1) mainly unnecessary, (2) those normally imported from the Empire, and (3) those of which imports from non-Empire countries should be regulated or of which imports from the Empire could be extended. Goods in the first of these categories are prohibited importation into the Colony, those in the second category may be imported only from Empire (other than Canadian) sources, and those in the third category may be imported from Canada and non-Empire countries only under licence. Licences are issued quarterly and are based on the value or quantity of imports entered by each applicant for a licence during the period January 1, 1937, to June 30, 1939. There are, of course, numerous other commodities which are not in any way affected by these regulations.

Without dealing in detail with the commodities concerned in these regulations (information regarding which is available at the Department of Trade and Commerce, Ottawa) it may be said that the following goods, among others, may no longer be imported into Ceylon from Canada:—

Flour	Railway sleepers	Various types of machinery
Biscuits	Tubes and pipes	Machine belting
Confectionery	Wire fencing	Soap
Frozen fish	White metal alloys	Sporting goods
Jams and jellies	Agricultural implements	
Spirits	Electric wire and cables	

These commodities are mentioned as typical of the range of Canadian exports to the Ceylon market in recent years and as being goods in which further business might normally be anticipated.

Other commodities the importation of which can only be arranged from Canada under licence include:—

Cheese	Rubber tires and tubes	Motor trucks and buses
Tinned fish	Typewriters	Motor car parts and
Fresh apples	Miscellaneous cotton manu-	accessories
Lumber	factures	Toilet articles.
Sulphate of ammonia	Silk hosiery	
Barbed wire	Patent medicines	

Regulations covering the issue of import licences, referred to above, preclude the possibility of Canadian business in the foregoing and various other commodities except in cases where importers in Ceylon can produce evidence that they have dealt in these products during the thirty months prior to June,

1939. Even so it will be impossible for the volume of business done in this basic period to be increased. New business in these lines by firms who have not previously handled them is accordingly out of the question. Further, the practice of issuing licences quarterly on several occasions has worked a severe hardship on import firms which, with authority to purchase Canadian products during a specified period, have been unable to complete the transactions during this time.

Some modification of the regulations has been made in an order of recent date permitting the import of various goods on the prohibited list. Transactions in them may apparently be permitted when the goods are considered as essential materials which are for use, and not for sale or barter, and the Government reserves the right to permit imports only in amounts which are considered to be reasonable.

The effect of these regulations on Canadian export trade to Ceylon has been serious. Business in motor cars, photographic materials, cereal foods, clocks, and evaporated milk is understood to have continued without serious interruption, but the great bulk of Canada's exports to this market has been completely stopped.

EXCHANGE REGULATIONS

The Ceylon Government's regulations concerning exchange are considerably more rigid than those of India or Burma. In the first place the government appointed a Controller of Exchange with full authority to supervise all transactions in foreign exchange and authorized various banks to act as dealers. Dealings in gold or in the currencies of non-Empire countries, with the exception of Egypt and Iraq, or of Canada, Newfoundland, Hongkong, and British Honduras, were restricted to authorized dealers, and the negotiation of bills of exchange and the transfer of securities, when designed to secure payment outside of Ceylon, was prohibited. Strict limitations were at the same time placed on exports of currency, postal order transfers, and on sums taken out of the country for personal travelling expenses.

These regulations have made it necessary for importers of Canadian goods to obtain permits for the payment involved and further rules made it obligatory that such payments should be in Canadian dollars or sterling. As far as can be ascertained, permits covering transfers by drafts or letters of credit are made available in all cases where the commodities concerned may be imported without restriction or where an import licence has been obtained. It will be obvious, however, that Canada's position as a supplier of Ceylon's import requirements is at present much less satisfactory than in more normal circumstances.

JAPAN'S SERICULTURAL INDUSTRY AND RAW SILK EXPORTS IN 1939

M. T. STEWART, ASSISTANT TRADE COMMISSIONER

Tokyo, March 18, 1940.—A survey conducted by the Ministry of Agriculture and Forestry into the sericultural industry during the year 1939 states that the number of farms devoted to sericulture amounted to 1,655,882, a decrease of 40,424 (2·4 per cent) from the number in 1938. The quantity of silk-worm egg-cards incubated amounted to 291,845 pounds, consisting of 129,039 pounds of spring silk-worms and 162,806 pounds of summer and autumn silk-worms, an increase of 10,020 pounds (3·6 per cent) over 1938. The pro-

duction of cocoons totalled 750,640,822 pounds valued at 882,688,029 yen, of which 369,951,242 pounds valued at 407,571,659 yen were spring cocoons and the remainder summer and autumn cocoons. The increase in cocoon production over last year was 128,497,106 pounds (20.7 per cent) in quantity and 536,653,265 yen (155.1 per cent) in value.

The increase in the yield of cocoons, in spite of a reduction in the number of farms engaged in sericulture during the year under review is stated to have been due to favourable weather conditions and improvements in methods.

According to a survey conducted by the Central Silk Association, exports of raw silk including dupion for the year 1939 amounted to 386,030 bales valued at 506,845,000 yen. As compared with last year exports showed a decrease of 91,766 bales (19.2 per cent) in quantity but an increase of 142,548,000 yen (39.1 per cent) in value.

Following is a comparative schedule showing exports to principal markets:—

Japan's Exports of Raw Silk (Including Dupion) in 1939

	1939	1938	Decrease
	Bales of 132 Lbs.		Per Cent
United States	331,524	393,426	— 15.7
England	27,303	33,619	— 18.8
France	13,942	31,358	— 55.5
Australia	7,287	7,840	— 7.0
Germany	2,984	3,340	— 10.6
British India	795	2,371	— 66.5
Others	2,195	5,842	— 62.4
Total	386,030	477,796	— 19.2

TARIFF CHANGES AND TRADE REGULATIONS

United Kingdom

IMPORT LICENSING REGULATIONS

FOODSTUFFS

Mr. Frederic Hudd, Chief Canadian Trade Commissioner in London, writes under date March 19, 1940, that the Board of Trade announce that steps are to be taken to unify the control of the trade in imported foodstuffs. The more important foodstuffs are already controlled by the Ministry of Food. Some, but not all, of these can only be imported under a Board of Trade import licence. Other foodstuffs require an import licence but are not at present controlled by the Ministry; and there are certain foodstuffs which have not hitherto been subject to any control at all.

It has now been decided that the Ministry of Food shall take control over imported foodstuffs generally. In order to complete the scope of the control, a general Order is being made by the Board of Trade and will be published on March 21, prohibiting the imports of all foodstuffs, including feeding stuffs for animals, except under licence. The only exceptions from the Order are wines and spirits, fresh and cured fish, and live animals.

The Order will apply to all foodstuffs, not already subject to licence, which are dispatched after March 20 and arrive in the United Kingdom after March 27. Open general licences will be issued permitting, until further notice, the importa-

tion of consignments of the following classes of foodstuffs without separate licences:—

From all sources—

Cod liver oil	Vinegar
All cheese, except Cheddar, Cheshire, Gouda and Edam types	Arrowroot
Vegetables in salt or brine	Tapioca, cassava, mandioca
Dried vegetables	Meat extracts and essences
Bananas	Malt extracts
Tomatoes	Isinglass and agar agar
Barcelona nuts, hazel nuts, Brazil nuts and chestnuts	Yeast
	Frozen fish

From British countries—

Fresh fruit and nuts used as fruit; fruit juices, and crystallized fruit	Curry powder
Fruit pectin	Honey
Jams and marmalade	Biscuits
Fresh vegetables (except potatoes and onions)	Peel, candied or drained
Chutney	Pepper
	Shell fish, fresh

In addition, all foodstuffs can be imported from Eire without separate licences, except the following:—

Meat (including bacon and sausages)	Cream
Butter	Margarine
Condensed milk and milk powder	Lard and imitation lard
Cheese	

The existing open general licences for the importation of goods from France, Algeria and Tunis will remain in force.

Importers are warned that impending shipments of all foodstuffs not covered by these open general licences should be cancelled immediately or postponed until an import licence has been obtained.

Applications for import licences should, in future, be addressed to the Ministry of Food, Great Westminster House, Horseferry Road, Westminster, London, S.W.1. in respect of all foodstuffs, except the following: coffee, chicory, biscuits, nuts used as fruit, caviare, cider and perry, fruit juices, table waters, meat extracts and essences, and spices, including pepper and liquorice. Applications in respect of these foodstuffs should be addressed to the Import Licensing Department, Board of Trade, 25 Southampton Buildings, London, W.C.2.

IRON AND STEEL

Mr. Hudd also advises that the Board of Trade have announced that at the request of the Ministry of Supply they have issued a further Order—The Import of Goods (Prohibition) (No. 11) Order, 1940—adding to the list of goods prohibited from importation “iron and steel products of the following descriptions: jack chain (including mattress chain) and mattress hooks.” This Order will take effect on March 18, 1940, but any goods covered by the Order which are proved to the satisfaction of the Customs authorities to have been dispatched to the United Kingdom before March 18, 1940, will not require a licence.

Importers are informed that at present it is not intended to grant licences in respect of the goods covered by this further Order.

MISCELLANEOUS

The Board of Trade has further advised that until further notice no applications will be considered for licences authorizing the importation into the United Kingdom of the following commodities from foreign countries other than France:—

Accumulators and parts thereof

Baths, iron and steel

Bell apparatus, electrical

Bell domes and bell gongs

Blast furnace slag

Enlargers, photographic, and parts thereof (other than lenses) and accessories therefor
Lanterns, optical, including epidiascopes and episcopes, and parts thereof, other than lenses

Latches, hasps, bolts, hinges, locks and keys, parts thereof and blanks therefor

Mechanical lighters and parts thereof, other than flints

Wireless receivers, complete, and complete chassis.

Until further notice, no licences will be issued for the importation from any country, British or foreign, of manufactures wholly or mainly of linen or flax except (a) tissues of a weight of 12 ounces or more a square yard (b) nets and netting.

The foregoing announcements do not apply to goods to be imported for re-export or for use in the export trade.

Australia

VALIDITY OF IMPORT LICENCES ALREADY ISSUED

With reference to the announcement in last week's issue of the *Commercial Intelligence Journal* (No. 1888, April 6), page 529, respecting additional descriptions of goods placed in category D (for which no licences are issued), or which are subjected to quantitative restrictions under other categories, the Canadian Trade Commissioner in Sydney, Australia, has cabled that licences already issued for the admission of such goods will continue to be valid for six months.

New Zealand

TARIFF DECISIONS

Recent decisions of the New Zealand Department of Customs as to the classification and rates of duty on articles regarding which question had been raised include the following:—

Machines and appliances approved for admission under item No. 352, free of duty under British preferential tariff, 20 per cent ad valorem if from "most favoured nations" and 25 per cent ad valorem plus 22½ per cent of duty if from other foreign countries, viz.: Electric vulcanizers for tire repairing; wood strain insulators (dumb-bell-shaped with metal fittings at each end); electric overhead travelling cranes powered in two or more motions (a) having a track width (span) of more than 70 feet, or (b) having a rated lift of over 20 tons.

The following manufacturers' materials are admissible under item 448, free of ordinary duty (but 3 per cent ad valorem primage duty) under British preferential tariff, and 10 per cent ad valorem plus 22½ per cent of duty under general tariff, viz.: Stampings of black steel, not built up in any way and in the rough, for use only in the manufacture of panels for refrigerator cabinets; stampings from strip metal, bent to shape, for use as frames for brush or mirror backs.

Metal stampings, plain and unbuilt, for use in the manufacture of brush or mirror backs, are under item 448, free of ordinary duty (but 3 per cent ad valorem primage duty) under the British preferential tariff, and 20 per cent ad valorem plus 22½ per cent of the duty under general tariff.

Artificial silk piece-goods, pleated or rucked, and backed with textile, for use only in the manufacture of ladies' hand bags, are under item 448, free of duty (but 3 per cent ad valorem primage duty) under British preferential tariff, 15 per cent ad valorem plus 22½ per cent of duty under general tariff.

Canadian goods under any of the items quoted above, accompanied by the prescribed certificate of origin and shipped in accordance with New Zealand regulations, are admitted under the British preferential tariff. Goods from all countries outside the British Empire are subject to general tariff rates, except where rates for "most favoured nations" are stated.

IMPORT CONTROL REGULATION OF SAMPLES

Mr. W. F. Bull, Canadian Trade Commissioner at Auckland, writing under date February 28, points out that up to that time it had been possible to bring samples into New Zealand even when the article represented by the sample was completely restricted under the import regulations (see *Commercial Intelligence Journal* No. 1882: February 24, 1940, page 311). The Trade Commissioner reports that the Minister of Customs has issued instructions to collectors in each port altering this basis under which samples will be admitted. The new ruling is: "In future samples will be admitted only in respect of goods the importation of which is not totally restricted. Where under this rule samples may be imported, they must come within the allocation for which the importer holds a licence to import the particular classes of goods, or where they are supplied free of charge on the Dominion's overseas exchange funds."

Any shipments already made under the previous arrangement, or any orders definitely placed for samples, the Trade Commissioner reports, will be admitted provided the amount is not excessive.

As to the reason for the new ruling, the Trade Commissioner reports that importers apparently have taken advantage of the former regulation governing the importation of samples to bring in merchandise for sale in New Zealand and that sample orders have reached substantial proportions. In an effort to stop this movement of goods for which import licences would not be granted, it is now made impossible to bring in samples of such goods.

South Africa

INCREASED DUTIES ON LUXURY GOODS

Mr. J. C. Macgillivray, Canadian Trade Commissioner at Cape Town, reports that the South African budget presented in the House of Assembly in Cape Town on February 28 for the fiscal year beginning April 1, with a view to raising additional revenue of £70,000, increased duties on some articles, mostly luxury goods and including manufactured furs; gloves other than rubber; perfumery and toilet preparations but excluding tooth powder, paste and washes; embossed and printed leather; ladies' handbags; gramophones and needles and records therefor; jewellery; tobacconists' wares; motor cars valued at over £400 each, and also tramway construction trucks and chassis.

France

COMMERCIAL AGREEMENT WITH UNITED KINGDOM

Mr. J. P. Manion, Assistant Commercial Attaché at Paris, writes under date March 5, 1940, that ever since the signing of a financial agreement between France and Great Britain early in December, 1939, negotiations have been taking place with a view to implementing this agreement with a commercial accord allowing the greatest possible freedom of trade between the two countries and their dependencies. The French *Journal Officiel* of February 28 published certain indications as to the French part of the accord, which became effective on March 1.

The French concessions cover the whole of the British Empire with the exception of the Dominions and Newfoundland, the regions under mandate, and Hongkong. Any goods the produce of Britain and her colonies will benefit under the terms of the agreement; but products shipped from such territories and not originating therein do not come within its scope. The agreement extends to trade between British colonies and French colonies or possessions.

There is an important list of goods for which import licences need still to be obtained before the goods may enter French territories. If the import

licence is granted, however, no foreign exchange permit is required, notification to the Exchange Control Board as to the amount of sterling exchange needed being the only formality.

Among the goods of interest to Canada upon the entry of which certain restrictions continue to exist are the following: meats other than fresh or frozen, animal greases and fats, cheese, honey, salted herring, crustaceans, wheat, rye, maize, bananas, oranges, dates, oil-bearing seeds, sugars, tobaccos, alcohols and spirits, abrasives, nearly all textiles and clothing, paper and cardboard, boots and shoes, gold pen-nibs, agricultural tractors, other agricultural implements, electric heating equipment, batteries and parts, aluminium manufactures, automobiles, insulators, photographic material, zipper fasteners.

This list shows the products relative to which France intends to keep freedom of action. Indeed, no provision is made for quotas from British sources, the only provision being that these products remain under licence; that is, that France will probably continue to prohibit their importation unless they are urgently required.

Import licences for goods not listed in the above schedule are dispensed with as well as foreign exchange permits.

As regards dispensation to import without obtaining a foreign exchange permit, such importation of merchandise is subject to presentation by the importer to his bank, previous to the importation of the merchandise, of a declaration stating the method and conditions of payment, whether in sterling, francs, or without payment. The importer must furnish all documents necessary to establish the value of the goods as well as their origin. He is obliged to return to the Exchange Control Board the amount of currency delivered but unused. He is held responsible for payments under these regulations, and sanctions may be applied in case of irregularities.

Netherlands

REDUCTION OF MONOPOLY TAX ON FRESH APPLES

Mr. J. A. Langley, Canadian Commercial Attaché at Rotterdam, writes that a ministerial order of February 19, 1940, reduces the monopoly tax on fresh apples imported into the Netherlands during the period from March 1, 1940, to July 1, 1940, from fl.0.04 to fl.0.02 per kilo, gross weight. This reduction applies to fresh apples from all countries enjoying most-favoured-nation treatment, including Canada. The quantity which may be imported during the above-mentioned period at the lower tax may be equal to the quantity of fresh apples grown in and exported by each of the countries in question to the Netherlands in 1934. Netherlands trade statistics show imports from Canada amounting to 1,212,710 kilos (2,667,962 pounds) in 1934.

Turkey

IMPORT CONTROL REGULATIONS

With reference to the article in *Commercial Intelligence Journal* No. 1883 (March 2, 1940), page 352, Mr. Henri Tureot, Canadian Trade Commissioner at Cairo, cables information from the British Commercial Secretary, Angora, Turkey, that the Turkish Decree of January 25, 1940 (No. 2/12669) became effective on March 7, 1940. The decree provides that: (1) importations from countries having no commercial or payments agreement with Turkey (includes Canada) may be made on the basis of compensation transactions, that is, the linking of a particular export shipment with a particular import shipment, the exchange derived from the former being allocated to pay for the latter; (2)

such transactions will be handled by Takas Company Limited on the basis of instructions to be prepared by the Ministry of Commerce; (3) list 2 attached to Decree No. 2/7005 of July 15, 1937, is suppressed.

The British Embassy, Angora, advised on March 9 that the issue of the regulations (mentioned in 2) was expected within a few days and that thereafter the importation of Canadian goods into Turkey would be possible by means of interchangeable compensation; also that the premium payable in respect of interchangeable compensation is 56 per cent. This compensation premium is the sum paid by the Turkish importer to the Turkish exporter for the "Takas" certificate, a document which bears evidence of the receipt of the export shipment by the importing country, and entitles the importer to acquire exchange and import goods of an equivalent value.

EXCHANGE CONDITIONS IN FOREIGN COUNTRIES

Mexico

R. T. YOUNG, CANADIAN TRADE COMMISSIONER

Mexico City, March 27, 1940.—During the first half of February there was a partial financial crisis in Mexico, and bank loans for any purpose were discontinued for a period. This naturally hampered the obtaining of exchange for the payment of domestic and foreign accounts, particularly the latter. During the latter half of the month, although loans continued to be restricted, there was an easing in the financing of purchases of raw materials for domestic industries and such necessities as drugs and chemicals. In view of this situation it is apparent that importers of luxuries and semi-luxuries, such as automobiles, electric refrigerators, radios, and electric washing machines, will find it increasingly difficult to secure bank financing, as the banks have refused to make loans on collateral based on imports of this nature, causing importers to restrict business or import capital.

Loans made to branches of foreign companies have been freely called, thus causing them to curtail business by restricting credit or discontinuing the financing of certain products like second-hand motor cars. The payment of domestic wholesale and retail accounts has remained satisfactory, due to the large monetary circulation and the independence of the average individual of bank loans for the payment of personal accounts, together with the fact that wholesalers had already begun to restrict credits and were therefore only slightly affected by the crisis.

There has been an optimistic opinion that the payment of wholesale and retail accounts would be improved provided the banks do not continue their severe loan restrictions over too long a period and that the Bank of Mexico does not reduce circulation too drastically.

The discontinuance, towards the end of February, of the United States Government's purchases of silver will undoubtedly further tend to complicate the situation.

Honduras

The foreign exchange situation in Honduras at the middle of March, in the opinion of merchants and bankers in Tegucigalpa, was much worse than in previous months. There continued to be an acute shortage of foreign exchange, and it was with difficulty that even small amounts were obtainable. It is reported that applications for amounts from \$100 to \$500 were not being approved by the Exchange Control Board for the full amount, while applications for large sums were not being entertained at all.

FOREIGN EXCHANGE QUOTATIONS: WEEK ENDING APRIL 8, 1940

The Foreign Exchange Division of the Bank of Canada has furnished the following statement of the nominal closing quotations for all the principal exchanges for the week ending Monday, April 8, 1940, and for the week ending Monday, April 1, 1940, with the official bank rate:—

Country	Unit	Present or Former Gold Parity	Nominal Quotations in Montreal Week ending April 1	Nominal Quotations in Montreal Week ending April 8	Official Bank Rate
Belgium	Belga	.1001	\$.1896	\$.1895	2
Bulgaria	Lev	.0072	.....	.....	—
Denmark	Krone	.2680	.2143	.2142	5½
Finland	Markka	.0252	.0194	.0196	4
France	Franc	.0392	.0223	.0224	2
Great Britain	Pound	4.8666			
	Buying		4.4300	4.4300	2
	Selling		4.4700	4.4700	—
Greece	Drachma	.0130	.0073	.0073	6
Holland	Guilder	.4020	.5893	.5892	3
Hungary	Pengo	.1749	.3227	.3227	4
	Unofficial		.1952	.1952	—
Italy	Lira	.0526	.0560	.0560	4½
Yugoslavia	Dinar	.0176	.0249	.0249	5
Norway	Krone	.2680	.2521	.2520	4½
Portugal	Escudo	.0442	.0372	.0382	4-4½
Roumania	Leu	.0060	.....	.....	3½
Spain	Peseta	.1930	.....	.1013	5
Sweden	Krona	.2680	.2644	.2643	3
Switzerland	Franc	.1930	.2489	.2489	1½
United States	Dollar	1.0000			
	Buying		1.1000	1.1000	1
	Selling		1.1100	1.1100	—
Mexico	Peso	.4985	.1848	.1849	3
Cuba	Peso	1.0000	.....	.....	—
Guadeloupe	Franc	.0392	.0223	.0224	—
Jamaica	Pound	4.8666	4.4800	4.4800	—
Martinique	Franc	.0392	.0223	.0224	—
Other British West Indies	Dollar	1.0138	.9313	.9313	—
Argentina	Peso (Paper)	.4245	.3304	.3304	3½
	Free		.2570	.2525	—
Brazil	Milreis (Paper)	.1196	.0673	.0673	—
	Free		.0558	.0558	—
British Guiana	Dollar	1.0138	.9313	.9313	—
Chile	Peso	.1217	.0573	.0573	3-4½
	Export		.0444	.0444	—
Colombia	Peso	.9733	.6327	.6327	4
Peru	Sol	.2800	.....	.....	6
Venezuela	Bolivar	.1930	.....	.....	—
Uruguay	Peso	1.0342			
	Controlled		.7307	.7307	—
	Uncontrolled		.4340	.4340	—
South Africa	Pound	4.8666	4.4600	4.4600	3½
Egypt	Pound (100 Piastres)	4.9431	4.5800	4.5800	—
China (Shanghai)	Dollar	.....	.0668	.0675	—
Hongkong	Dollar	.....	.2446	.2449	—
India	Rupee	.3650	.3359	.3359	3
Japan	Yen	.4985	.2602	.2602	3.29
Java	Guilder	.4020	.....	.....	—
Thailand (Siam)	Baht (Tical)	.4424	.....	.....	—
Straits Settlements	Dollar	.5678	.5250	.5250	—
Australia	Pound	4.8666	3.5800	3.5800	3
New Zealand	Pound	4.8666	3.5900	3.5900	4

The Dominion Bureau of Statistics has supplied the following note:—

There was no change in official buying and selling rates for sterling and United States funds during the week ended April 8. These remained at \$4.43-\$4.47 and \$1.10-\$1.11, respectively. At New York sterling free market rates stiffened from \$3.55½ on the 1st to \$3.58½ on the 6th. However, a sharp relapse on the closing day brought quotations back to the former level for no net change. During the same interval Canadian funds advanced from 81¼ cents to 84¼ cents, but eased fractionally to 83¾ cents on the 8th. Montreal rates for the French franc finished unchanged at 2.24 cents, while neutral European units were down slightly on the week. A ½-cent drop in the Argentine free peso on the 8th lowered quotations to 25.25 cents, which compared with 25.70 cents a week earlier.

TRADE OPPORTUNITIES ABROAD FOR CANADIAN PRODUCTS

The Trade Inquiries for Canadian products published below have been received since the publication of the last issue of the *Commercial Intelligence Journal*. Interested exporters may secure the names and addresses of the firms making these inquiries, together with further details regarding the commodities required, on application to the Director, Commercial Intelligence Branch, Department of Trade and Commerce, Ottawa, or—

Secretary, Board of Trade—

Saint John, N.B.	Chatham, Ont.	Stratford, Ont.	St. Boniface, Man.
Halifax, N.S.	Guelph, Ont.	Woodstock, Ont.	Winnipeg, Man.
Quebec, P.Q.	Kitchener, Ont.	St. Marys, Ont.	Vancouver, B.C.
Montreal, P.Q.	Brantford, Ont.	Portage la Prairie, Man.	New Westminster, B.C.
Toronto, Ont.			

Secretary, Chamber of Commerce—

Sherbrooke, P.Q.	Belleville, Ont.	London, Ont.	Hamilton, Ont.
Kingston, Ont.	Peterborough, Ont.	St. Catharines, Ont.	Victoria, B.C.
Oshawa, Ont.			Prince Rupert, B.C.

Windsor Chamber of Commerce, Windsor, Ont.

Commercial Intelligence Service, Department of Municipal Affairs, Trade and Commerce, Quebec.

Department of Industry, Brantford, Ont.

Industrial Commissioner, Stratford, Ont.

La Chambre de Commerce de Montréal, 25 St. James E., Montreal, P.Q.

Secretary, Canadian Manufacturers Association—

Toronto, Ont.	Winnipeg, Man.	Vancouver, B.C.
Montreal, P.Q.	Edmonton, Alta.	Victoria, B.C.

Director, Bureau of Industrial and Trade Extension, Department of Trade and Industry, Victoria, B.C.

Commodity	No.	Location of Inquirer	Purchase or Agency
Foodstuffs and Feedstuffs—			
Canned Tomatoes and other			
Canned Products.....	260	Glasgow, Scotland.....	Purchase.
Macaroni.....	261	Glasgow, Scotland.....	Purchase.
Corn Starch.....	262	Alexandria, Egypt.....	Purchase.
Milk Products (Evaporated, Full			
Cream, etc.).....	263	Bristol, England.....	Purchase and Agency.
Powdered Milk.....	264	Haifa, Palestine.....	Purchase.
Vinegar.....	265	Kingston, Jamaica.....	Purchase and Agency.
Fish Meal.....	266	Haifa, Palestine.....	Purchase.
Split Peas.....	267	Kingston, Jamaica.....	Purchase and Agency.
Oats.....	268	Kingston, Jamaica.....	Purchase and Agency.
Cod Liver Oil.....	269	Alexandria, Egypt.....	Purchase and Agency.
Hardened Hydrogenated Edible			
Oils.....	270	Alexandria, Egypt.....	Purchase and Agency.
Miscellaneous—			
Drugs and Medicines.....	271	Cairo, Egypt.....	Agency.
Crude Drugs.....	272	London, England.....	Purchase and Agency.
Hospital Appliances: Surgical and			
Optical Instruments.....	273-5	Cairo, Egypt.....	Agency.
Tooth Brushes.....	276	London, England.....	Purchase.
Rubber Goods.....	277	Brussels, Belgium.....	Purchase.
Paper for Bag Making and Copy			
Books.....	278	Nablus, Palestine.....	Purchase.
Paper and Stationery.....	279-80	Baghdad, Iraq.....	Agency.
Newsprint.....	281	Baghdad, Iraq.....	Purchase.
Raw Felt for Manufacture of			
Roofing Felt.....	282	Redfern, N.S.W., Australia	Purchase or Agency.
Leather.....	283	Oporto, Portugal.....	Agency.
Electric Lamps, Fans, House			
Meters.....	284-6	London, England.....	Agency.
Bakelite Electrical Accessories...	287	London, England.....	Agency.
Electric Cables.....	288	London, England.....	Agency.
Soldering Lamps.....	289	Lisbon, Portugal.....	Agency.
Accessories and Spare Parts for			
Automobiles (excluding Tires).	290	Beirut, Syria.....	Purchase.
Locks, Padlocks, etc.....	291	Lisbon, Portugal.....	Agency.
Saws for Wood and Metal.....	292	Lisbon, Portugal.....	Agency.

COMMERCIAL INTELLIGENCE SERVICE

L. D. WILGRESS, *Director*

Argentina

J. A. STRONG, B. Mitre 430, Buenos Aires (1). (Territory includes Uruguay.) *Cable address, Canadian.*

Australia

Sydney: L. M. COSGRAVE. Address for letters—P.O. Box No. 3952V. Office—City Mutual Life Building, Hunter and Bligh Streets. (Territory includes the Australian Capital Territory, New South Wales, Queensland, Northern Territory and Dependencies.) *Cable address, Canadian.*

Melbourne: FREDERICK PALMER, 83 William Street, Melbourne, C.I. (Territory includes States of Victoria, South Australia, Western Australia, and Tasmania.) *Cable address, Canadian.*

Belgium and Luxemburg

YVES LAMONTAGNE, Commercial Attaché, Shell Building, 60 rue Ravenstein, Brussels. *Cable address, Canadian.*

Brazil

L. S. GLASS. Address for letters—Caixa Postal 2164, Rio de Janeiro. Office—Ed. Da. "A. Noite," Sala 802, Praca Maua. *Cable address, Canadian.*

British India

PAUL SYKES. Address for letters—P.O. Box 886, Bombay. Office—Gresham Assurance House, Mint Road, Bombay. (Territory includes Burma and Ceylon.) *Cable address, Canadian.*

British Malaya

J. L. MUTTER, Union Building, Singapore, Straits Settlements. (Territory includes the Straits Settlements, the Federated Malay States, the Unfederated Malay States, Thailand, British Borneo, and Netherlands India.) *Cable address, Canadian.*

British West Indies

Trinidad: M. B. PALMER. Address for letters—P.O. Box 125, Port of Spain. Office—Barclay's Bank Building. (Territory includes Barbados, Windward and Leeward Islands, and British Guiana.) *Cable address, Canadian.*

Jamaica: F. W. FRASER, P.O. Box 225, Kingston. Office—Canadian Bank of Commerce Chambers. (Territory includes the Bahamas and British Honduras.) *Cable address, Canadian.*

China

V. E. DUCLOS. Address for letters—P.O. Box 264, Shanghai. Office—Ewo Building, 27 The Bund, Shanghai. (Territory includes Central China and North China.) *Cable address, Canadian.*

Cuba

C. S. BISSETT. Address for letters—Apartado 1945, Havana. Office—Royal Bank of Canada Building, Calle Aguiar 367, Havana. (Territory includes Haiti, the Dominican Republic, and Puerto Rico.) *Cable address, Canadian.*

Egypt

HENRI TURCOT. Address for letters—P.O. Box 1770, Cairo. Office—22 Shari Kasr el Nil, Cairo. (Territory includes the Sudan, Palestine, Cyprus, Iraq, Syria, Iran, Greece, Turkey, Bulgaria, and Roumania.) *Cable address, Canadian.*

France

HERCULE BARRÉ, Commercial Attaché, 3 rue Scribe, Paris (9). (Territory includes French Colonies in North Africa.) *Cable address, Cancomac.*

Hongkong

P. V. McLANE. Address for letters—P.O. Box 80, Hongkong. Office—Hongkong and Shanghai Bank Building, Hongkong. (Territory includes South China, the Philippines, and Indo-China.) *Cable address, Canadian.*

Ireland

JAMES CORMACK, 66 Upper O'Connell Street, Dublin, Ireland (*cable address, Canadian*); and 36 Victoria Square, Belfast, Northern Ireland.

CANADIAN GOVERNMENT TRADE COMMISSIONERS—*Con.*

Italy

- A. B. MUDDIMAN, Via Manzoni Nr. 5, Milan (102). (Territory includes Spain, Portugal, Gibraltar, Malta, Albania, and Yugoslavia.) *Cable address, Canadian.*

Japan

- C. M. CROFT, Commercial Secretary. Address for letters—P.O. Box 18, Akasaka Post Office, Tokyo. Office—Canadian Legation, 16 Omotecho, 3-chome, Akasakaku, Tokyo. *Cable address, Canadian.*

Mexico

- R. T. YOUNG. Address for letters—Apartado Num. 126-Bis, Mexico City. Office—Edificio Banco de Londres y Mexico, Num. 30, Mexico City. (Territory includes Guatemala, Honduras, and Salvador.) *Cable address, Canadian.*

Netherlands

- J. A. LANGLEY, Commercial Attaché, Coolsingel 111b, Rotterdam. (Territory includes Switzerland.) *Cable address, Canadian.*

New Zealand

- W. F. BULL. Address for letters—P.O. Box 33, Auckland. Office—Yorkshire House, Shortland Street, Auckland. (Territory includes Fiji and Western Samoa.) *Cable address, Canadian.*

Panama

- H. W. BRIGHTON. Address for letters—P.O. Box 222, Panama City. Office—98 Central Avenue, Panama City. (Territory includes the Canal Zone, Venezuela, Colombia, Nicaragua, and Costa Rica.) *Cable address, Canadian.*

Peru

- M. J. VECHSLER. Address for letters—Casilla 1212, Lima. Office—Edificio Boza, Carabaya 831, Plaza San Martin, Lima. (Territory includes Bolivia, Ecuador, and Chile.) *Cable address, Canadian.*

South Africa

- Cape Town:* J. C. MACGILLIVRAY. Address for letters—P.O. Box 683. Office—New South African Mutual Buildings, 17 Parliament Street. (Territory includes Cape Province and Southwest Africa, Natal, Tanganyika, Kenya, Uganda, Mauritius, and Madagascar.) *Cable address, Cantracom.*

- Johannesburg:* J. H. ENGLISH. Address for letters—P.O. Box 715. Office—Prudential Assurance Building, 92 Fox Street. (Territory includes Transvaal, Orange Free State, the Rhodesias, Mozambique or Portuguese East Africa, and Nyasaland.) *Cable address, Cantracom.*

United Kingdom

- London:* FREDERIC HUDD, Chief Trade Commissioner in the United Kingdom, Canada House, Trafalgar Square, S.W.1. *Cable address, Sleighing, London.*

- London:* G. R. HEASMAN, Trade Commissioner, Canada House, Trafalgar Square, S.W.1. (Territory includes Home Counties, Southeastern Counties, and East Anglia; also British West Africa.) *Cable address, Sleighing, London.*

- London:* W. B. GORNALL, Fruit Trade Commissioner, Aldine House, Bedford Street, Strand, W.C.2. *Cable address, Canfrucum.* (Territory—for fresh fruit only—includes United Kingdom, Norway, Denmark, Sweden, France, Holland, and Belgium).

- London:* G. R. PATERSON, Animal Products Trade Commissioner, Canada House, Trafalgar Square, S.W. 1. *Cable address, Agrilson.*

- Liverpool:* A. E. BRYAN, Martins Bank Building, Water Street. (Territory includes North of England, Lincolnshire, North Midlands, and North Wales.) *Cable address, Canadian.*

- Bristol:* E. L. MCCOLL, Northcliffe House, Colston Avenue. (Territory includes West of England, South Wales, and South Midlands.) *Cable address, Canadian.*

- Glasgow:* G. B. JOHNSON, 200 St. Vincent Street. (Territory covers Scotland.) *Cable address, Cantracom.*

United States

- New York City:* D. S. COLE, British Empire Building, Rockefeller Center. (Territory includes Bermuda.) *Cable address, Cantracom.*

- Chicago:* W. J. RIDDIFORD, Tribune Tower, 435 North Michigan Avenue. *Cable address, Canadian.*

- Los Angeles:* B. C. BUTLER, Associated Realty Building, 510 West Sixth Street. *Cable address, Canadian.*

Note.—Bentley's Second Phrase Code is used by Canadian Trade Commissioners.

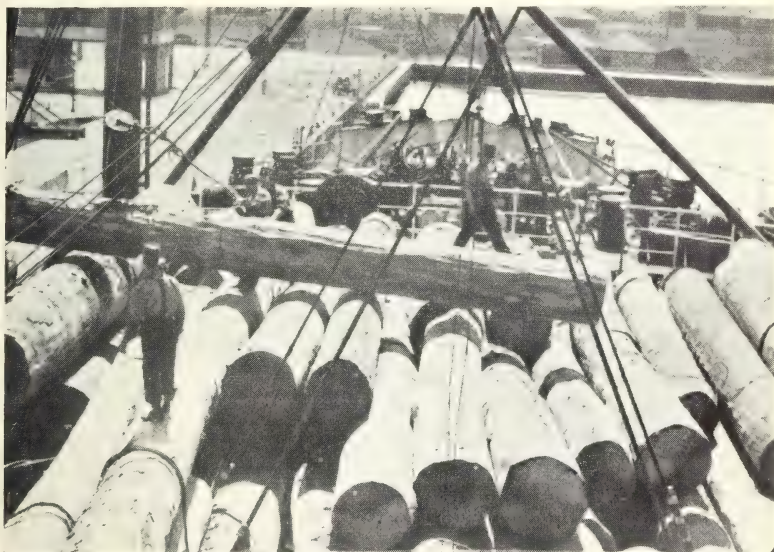
155. 22
Can
1

COMMERCIAL INTELLIGENCE JOURNAL

Vol. LXII

Ottawa, April 20, 1940

No. 1890



British Columbia Fir Logs at Melbourne, Australia

ISSUED BY AUTHORITY OF
THE HON. W. D. EULER, MINISTER OF TRADE AND COMMERCE
JAMES G. PARMELEE, DEPUTY MINISTER



CONTENTS

	Page
United States Chemical Pulp Situation.....	567
Anglo-Spanish Trade and Payments Agreement.....	568
Control of Cereals and Flour Prices in the United Kingdom..	569
Effect of Wartime Conditions on Canadian Trade Prospects in Australia	571
Control of Imports into Sierra Leone	578
Canada's Domestic Exports to the United States of Principal Commodities Affected by the Canada-United States Trade Agreement: Month of March, 1939 and 1940.....	580
Economic Conditions in the Netherlands in 1939.....	586
Foreign Trade of Japan in 1939	593
Exports from Canada to Neutral Countries	600
Imports into the United States of Products under the Quota Provisions of the Trade Agreement.....	601
British Trade Commissioners in Canada.....	601
Australian Wheat and Flour	602
Tariff Changes and Trade Regulations	602
Exchange Control in British Malaya	610
Foreign Exchange Quotations	611
Trade Inquiries for Canadian Products.....	612
Commercial Intelligence Service.....	613

COMMERCIAL INTELLIGENCE JOURNAL

Issued Every Saturday by the Department of Trade and Commerce

PUBLISHED in English and French. Subscription Price for either edition: \$1 per annum in Canada (single copies 5 cents each); \$3.50 outside the Dominion (single copies 10 cents each). Remittances, which may be made by Post Office or Express Orders, or Drafts, or Cheques, payable at par in Ottawa, should be addressed to the King's Printer, Government Printing Bureau, Ottawa.

Vol. LXII

Ottawa, April 20, 1940

No. 1890

UNITED STATES CHEMICAL PULP SITUATION

D. S. COLE, CANADIAN TRADE COMMISSIONER

New York, April 11, 1940.—The invasion of Scandinavia by Germany will undoubtedly lead to many changes in the pulp and paper industry in those countries which have been importers of Scandinavian products.

In a brief outline of the United States situation, the News Print Service Bureau, New York, volunteers the following table showing imports of sulphite and sulphate pulp, bleached and unbleached, into the United States from all sources during 1939 and the first two months of 1940:—

United States Imports of Chemical Pulp in 1939

	Bleached	Sulphite Unbleached	Total Thousands	Bleached of Tons	Sulphate Unbleached	Total
Sweden	65	371	436	55	333	388
Finland	70	115	185	8	121	129
Norway	66	14	80	..	16	16
Germany	9	12	21	..	..	..
Other	12	35	47	..	15	15
Total Europe .. .	222	547	769	63	485	548
Canada	253	113	366	46	60	106
Grand total .. .	475	660	1,135	109	545	654

United States Imports of Chemical Pulp, Jan.-Feb., 1940

	Bleached	Sulphite Unbleached	Total Thousands	Bleached of Tons	Sulphate Unbleached	Total
Sweden	15	102	117	20	81	101
Finland	9	20	29	1	22	23
Norway	10	2	12	..	5	5
Germany .. . . .	..	..	..	..	..	..
Other	1	3	4	..	..	..
Total Europe .. .	35	127	162	21	108	129
Canada	48	27	75	9	10	19
Grand total .. .	83	154	237	30	118	148

It will be noted that Europe supplied 769,000 tons of sulphite pulp to the United States in 1939 and 162,000 tons during January and February of this year. Imports of sulphate pulp from Europe in 1939 were 548,000 tons and during the first two months of 1940 they amounted to 129,000 tons. Canada supplied much less pulp to the United States converters than did Europe, the total sulphite pulp in 1939 coming from Canada being 366,000 tons and the total sulphate pulp 106,000 tons. Corresponding figures for the first two months of 1940 were 75,000 tons and 19,000 tons, respectively.

If Scandinavia continues to be disturbed by military operations in the future the result may be the complete elimination of all pulp and paper exports from

northern Europe to the United States. This development would be of considerable importance, taking into account the fact that Sweden has long been a source of supply of pulp to the United States and Finland a supplier in recent years.

CHEMICAL PULP CONSUMPTION

The United States Pulp Producers' Association estimates that there was a total consumption of 2,993,000 tons of sulphite pulp in the United States in 1939 and a domestic production of 1,970,000 tons from mills having a capacity of 2,858,000 tons. Hence, consumption was 5 per cent greater than the capacity of domestic mills and 52 per cent greater than actual sulphite production in the United States.

In the case of sulphate pulp the Association estimates a consumption of 3,623,000 tons last year, a domestic production of 2,992,000 tons and the capacity of domestic mills at 3,811,000 tons. In this case consumption was 5 per cent less than capacity and 21 per cent greater than actual production.

It is estimated by the News Print Service Bureau that the bleached sulphite pulp consumption in the United States in 1939 amounted to 1,632,000 tons, of which Canada supplied 15·5 per cent and Europe 13·5 per cent.

Consumption of unbleached sulphite pulp in the United States is estimated at 1,360,000 tons, of which Canada furnished 8 per cent and Europe 40 per cent. The shortage in chemical pulp in the United States will, therefore, largely consist of unbleached sulphite and it is anticipated that the price in this market will increase.

Acknowledgment is made to the News Print Service Bureau with regard to the contents of this report.

ANGLO-SPANISH TRADE AND PAYMENTS AGREEMENT

FREDERIC HUDD, CHIEF CANADIAN TRADE COMMISSIONER IN THE
UNITED KINGDOM

London, March 21, 1940.—According to an announcement made by the Board of Trade, a loan agreement and a payments agreement have been concluded between the United Kingdom and Spanish Governments. These agreements are designed to re-establish commercial relations on their former basis, and to expedite the immediate supply to Spain of raw materials and liquidate outstanding Spanish debts incurred before the outbreak of hostilities in Spain.

Under the loan agreement the United Kingdom Government agrees to advance a sum of £2,000,000 to the Spanish Government for the purchase of goods; also a sum sufficient, together with the amount of nearly £2,000,000 standing in the Reserve Fund at the Bank of England under the 1936 payments agreement, to enable an immediate dividend of 50 per cent to be paid on outstanding debts. While payment of interest on these loans will be made from the outset, there will be no repayment of capital by Spain until 1942; repayments will then be made in ten equal annual instalments, the funds for this purpose coming out of the sterling receipts paid into the sterling account established under the clearing agreement.

The payments agreement re-establishes a clearing account. It provides that all sums due for Spanish goods imported into Great Britain shall be paid into a sterling current account in the name of the Controller of the Anglo-Spanish Clearing Office at the Bank of England. After provision has been made for the service of the loans, the amounts paid into this account will be allocated as follows: 45 per cent for purchases by Spain of United Kingdom

goods and payments of freight on British ships between the two countries; 45 per cent for purchases by Spain, through United Kingdom firms, of goods coming from certain parts of the Empire and other countries within the "sterling area," and for payments of freight on British ships between Spain and any of the countries concerned; and 10 per cent for payment of insurance and reinsurance premiums, royalties, patent fees, interest, and other financial payments of a revenue nature due from Spain to the United Kingdom. The whole of the £2,000,000 loan for goods may be spent on goods (including raw materials) of "sterling area" origin.

Considerable interest has been evinced in this treaty, which represents a new departure inasmuch as it is not wholly bilateral but multilateral. As indicated, provision is made for the participation of countries in the "sterling area" in the benefits of the treaty.

The payments agreement will come into force on April 1, 1940.

CONTROL OF CEREALS AND FLOUR PRICES IN THE UNITED KINGDOM

G. R. HEASMAN, CANADIAN TRADE COMMISSIONER

London, March 19, 1940.—Since the publication of the last report on control of cereals and cereal prices in *Commercial Intelligence Journal* No. 1872 (December 16, 1939), there have been new regulations issued and amendments made to old ones. In the main, however, these orders apply chiefly to the home industry.

USE OF MANITOBAS IN GRISTS

In February the Cereal Control Board announced that millers should now increase their use of Manitobas up to 60 per cent in their mixed grists. This percentage compares with a previous 40 per cent. Port Area Grain Committees have been instructed not to release more than 40 per cent of soft and filler wheats to controlled flour millers. This announcement should be welcome news to Canadian wheat exporters.

EXPORT FLOUR TRADE

The issue of licences for the export of flour to various countries is now being granted. In order to avoid uneconomic competition in export trade, it was decided that the allocation of these licences between millers having an established export trade should be undertaken by a committee of the National Association of British and Irish Millers, on a basis proportionate to their 1938 exports.

The price at which flour for export must be sold will be controlled by the Export Flour Advisory Committee of the National Association. The minimum price for export at present has been set at 37s. 6d. per 280 pounds f.o.b. United Kingdom port, net cash, bulk basis.

The Order prohibiting the sale of National Straight Run flour under brand names has also been amended as regards its sale (a) for shipment outside the United Kingdom, and (b) in respect of sales in small bags of 14 pounds and under. In both cases the use of millers' and packers' brand names is permitted.

HOME-GROWN WHEAT

The efforts being made to increase production and control the marketing of wheat grown in the United Kingdom may be of much more importance to

Canadian wheat exporters after the war than at present, depending on to what extent present war measures are retained. This year it is planned to plough up 2,000,000 acres of grassland, which will help to cut down imported food-stuffs to that extent.

In December, 1939, the Ministry of Food made an Order for controlling the marketing of the home-grown wheat crop. This Order enabled the Ministry to decide what proportion after threshing is to be allotted for milling and what proportion for feeding stuffs. This Order has already been amended several times: at present one-half, plus any wheat sold for seed, has been prescribed by licence as the maximum proportion which may be sold for purposes other than flour milling. The control will interfere as little as possible with the normal method of marketing the crop. The Ministry of Food do not purchase the crop, but require all registered growers to sell only to approved buyers who are either millers or authorized merchants. The approved buyer who is not a miller must sell during any calendar month not less than one-half of his purchases of millable wheat, after deducting any bought for seed, to a flour miller. An approved buyer who is not a miller may then sell the remaining one-half for any purpose, including any millable wheat he may have bought from other approved buyers. A flour miller must use for the manufacture of flour not less than two-thirds of any millable wheat purchased by him from other approved buyers; but he need only use for milling one-half of the wheat purchased from a registered grower, after deducting any bought for seed. The remaining one-half the miller may use for any purpose. This has the effect of placing all approved buyers, either millers or merchants, on the same basis when purchasing direct from registered growers. That is, half their purchases, after deducting any quantity especially bought for seed, is available for disposal free of restriction. There is no limit to the quantity of home-grown wheat which may be allowed for seed.

There are further regulations to ensure that seed wheat purchased as such is used for no other purpose and also to ensure that the regulations are not in any way evaded.

FLOUR PRICES

London, March 27, 1940.—A new Flour Prices Order has recently been issued by the Minister of Food, effective March 25, which revokes the Flour Prices (No. 1) Order of 1939, dealt with in *Commercial Intelligence Journal* No. 1864 (October 21, 1939), and which makes new provisions regulating the sale of home-milled flour by millers. These regulations are chiefly of interest to United Kingdom millers.

The new Order makes no change in the price of home-milled flour, which is still fixed at 22s. per sack of 280 pounds for quantities of more than one sack delivered to the first buyers in the United Kingdom, plus quota payment, with additional charges for various types of bags.

The new Order makes provision for licensing flour factors individually and for them to receive a commission at the rate of 9d. per 280 pounds plus 3d. to cover "in and out of store" costs, where a declaration is furnished by the factor to the miller that the flour in question has been stored by him.

The new Order specifically excludes imported flour from its provisions, since under control imported flour is marketed on behalf of the Ministry of Food by the Port Area Grain Committees.

Besides specifying a fixed price for National Straight Run flour, the Order provides maximum prices for specialty flours, such as brown flour, self-raising flour, etc., and also codifies certain existing instructions of the Cereal Control Board in regard to additional charges permitted for various types and sizes of bags and other containers and for specially dried flour.

The definition of flour and calculation of extraction is also different from the first Price Order of 1939. The present definition of flour excludes certain milled wheaten substances, which are technically flour for the purposes of the Wheat Acts, and provides that the rate of extraction of National Straight Run flour (which is the only grade of flour permitted to be manufactured except under licence) must now be calculated from the weight of products manufactured from the unclean grain. Control flour millers are instructed that the rate of extraction on grists consisting wholly of home-grown wheat is to be 70 per cent, and that on mixed grists, whether or not containing a proportion of home-grown wheat, the rate is to be 72 per cent.

Specialty flour is defined as "flour other than National Straight Run flour which a miller is authorized to produce in accordance with the terms of a licence granted by the Ministry of Food."

The schedule of additions to the basic price for sacks and containers and also for the sale of special grades or classes of flour, along with a number of deductions in connection with delivery, is on file at the Department of Trade and Commerce, Ottawa.

EFFECT OF WARTIME CONDITIONS ON CANADIAN TRADE PROSPECTS IN AUSTRALIA

R. P. BOWER, ASSISTANT TRADE COMMISSIONER

Sydney, March 11, 1940.—As a result of the European crisis of September, 1938, many Australian importers have evinced a keener interest in North America as a source of supply for their requirements than ever before. This was reflected in a marked increase in the number of businessmen visiting America with the object of establishing agencies and buying connections there, and also in a livelier interest in any offerings that came from that area. The movement was accelerated with the rapid development of the situation in Europe prior to September, 1939, and reached its peak after the outbreak of hostilities in that month. It was soon apparent that the war would not only affect deliveries from the belligerents, but would also interfere with imports from many of the neutrals, particularly the Scandinavian countries. The demand for Canadian connections was particularly keen, not only because of the tariff preference that existed for most Empire products and of a sentimental preference that was stimulated by the war, but because it was felt that some form of import restriction would eventually be introduced which would more severely affect non-Empire countries than Canada.

It was a great disappointment, therefore, to those interested in Canadian trade when the import restriction scheme introduced by the Australian Government on December 1, 1939, grouped Canada with the non-sterling countries for purposes of the regulations, thereby subjecting her exports to the same restrictions as applied to those of foreign countries.

These restrictions seriously curtailed the opportunities afforded Canadian manufacturers to profit from the increased Australian demand for their products. In the first place, a large number of items known as class D goods have been prohibited further importation from non-sterling countries, and secondly, importers are not allowed to purchase "permitted" items (A, B and C class goods) from non-sterling countries in excess of their purchases of identical goods from those countries during the twelve months ended June 30, 1939.

DIVERSION OF IMPORTS

As it is permissible to divert a quota from one non-sterling country to another, importers who purchased permissible imports from Germany or the Scandinavian countries during the base year (twelve months ended June 30, 1939), are entitled to divert those purchases to Canada during the present year. It is possible that the list of prohibited imports will be extended in the future, the best guide to the items likely to be affected being the degree of importance attached to each product under the Government's grading scheme, A, being very important, B, important, and C, less important. The D items (unimportant) are the only ones importation of which is at present prohibited from non-sterling countries. It is therefore not possible to tell from the statistics to what extent Canadian exports to Australia can be expected to benefit from the curtailment or cessation of European supplies.

Imports from Germany during the twelve months ended June 30, 1939, were valued at £4,131,212, representing 4 per cent of Australia's total imports from all sources, 9 per cent of her non-sterling imports, and 12 per cent of her imports from foreign sources. During the same period, imports from Czecho-Slovakia, Danzig, Denmark, Estonia, Finland, Latvia, Norway, Poland, and Sweden totalled £2,288,334, so that, taking imports from these countries in conjunction with those from Germany, slightly more than 6 per cent of Australia's imports are affected. Even assuming that the Scandinavian countries are cut off as completely as enemy belligerents, it does not follow that imports from other non-sterling countries will increase by similar amounts, because a certain part of the trade will be diverted to sterling countries, particularly the United Kingdom, and importation of many of the items affected is now prohibited from non-sterling countries. In this last category are such important imports from Germany into Australia as motor vehicle parts n.e.i., shipments of which during the base year were valued at £15,036; perfumed spirits and bay rum (£12,097); patent leather (£26,015); pianos (£7,184); cut glassware n.e.i., of which imports valued at £72,191 came from Germany and at £75,486 from Czecho-Slovakia during the base year; and imitation jewellery, etc., which Germany supplied to a value of £20,927, and Czecho-Slovakia to a value of £31,912. In addition, certain Scandinavian products which Canada might expect to replace have also been given a D classification.

NOTES ON ITEMS OF INTEREST TO CANADA*

The following notes cover items which formerly came from Germany, or other European countries, and which are now in demand from Canadian sources. No items are included which are prohibited importation under the present import licensing regulations; where possible the present import licensing classification of each item is given in parentheses immediately following its enumeration:—

Still Wine: (C).—Still wines in bottles were not listed as prohibited imports in the original restrictions, principally to avoid further unbalancing the trade with France, which for many years has been heavily in favour of Australia. Total imports of bottled still wines during the base year (ended June 30, 1939) were valued at £12,966, of which £3,235 is credited to France and £3,203 to Germany.

Gelatine of All Kinds: (C).—Gelatine was imported into Australia during the base year to the value of £13,771, of which £5,354 was credited to the United States, £4,596 to the United Kingdom, and £2,990 to Germany.

Synthetic Resins, of the Type used in the Manufacture of Paints, Varnishes and Enamels, in Liquid Form: (B).—Imports under this heading in the base year were valued at £22,386, the United States' share being £8,513 and that of the United Kingdom £7,104; the bulk

*The information in parentheses which has been added to the notes on several items is based on a recent cabled summary of additional restrictive import regulations, introduced by the Australian Government since this report was prepared, with effect from April 1, 1940.

of the remainder was credited to Germany. Shipments from Canada were very small during the base year and, as deliveries are uncertain from the United Kingdom, there are opportunities for Canadian firms in a position to quote.

Wood-pulp, Chemical: (A).—Of the £310,610 worth of chemical pulp imported during the base year, shipments valued at £283,240 came from Scandinavian countries, and at £3,662 from Czecho-Slovakia. Canada supplied only 44 tons valued at £1,007. The virtual cessation of supplies from Scandinavia has so embarrassed the local paper industry that the Government has exempted chemical wood-pulp from the provisions of the import control regulations for the time being. Some substantial orders have recently been placed in the United States for bleached sulphite pulp at prices approximating \$68 per ton f.o.b. Unbleached sulphite pulp is also in strong demand.

Buttons.—Buttons are given various ratings under the import control regulations, but with the exception of military and naval uniform buttons (which are prohibited), C category treatment is general. Czecho-Slovakia and Germany were important suppliers of all types during the base year. Imports of metal buttons were valued at £24,808, of which Czecho-Slovakia supplied to a value of £1,748 and Germany to a value of £3,240. The United Kingdom was the largest supplier with £16,942. Imports of non-metallic buttons were valued at £49,624, of which £3,782 was credited to Czecho-Slovakia and £7,497 to Germany. Under "other buttons," Czecho-Slovakia supplied to a value of £12,541 and Germany £6,913 out of total imports of £24,613. (Effective April 1, 1940, imports of buttons, finished or unfinished, and button blanks, except trochus, pearl or shell, are reduced by 50 per cent of the amounts imported in the base year.)

Gloves.—Gloves of kid, or other leather, except harvesting and gardening gloves, are given a 50 per cent C and 50 per cent D rating with C class treatment at the present time. Total imports during the base year were valued at £218,007, of which Belgium with £64,364 was the largest supplier. Shipments from Czecho-Slovakia were valued at £18,503, and from Germany at £21,644. A good opportunity exists for Canadian manufacturers who can offer suitable styles, although the low rating given this item may result in its prohibition if the restrictions are extended in the future. Under the heading "all other gloves, except rubber, including mittens" imports for the period were valued at £149,750, of which £116,570 was credited to countries now controlled by Germany. Local importers are switching their quotas to Belgium and Italy, as the continental type of glove is the most popular in Australia, although offers from Canada would be welcome. During the base year, arrivals from Canada under the last-mentioned group were valued at £1,323.

Buckles, Clasps, and Slides for Hats, Shoes and other Attire: (50 per cent C, 50 per cent D).—Of such items composed wholly of metal, Czecho-Slovakia and Germany together supplied to a value of £7,654 out of total imports during the base year valued at £16,198. Of the non-metallic types, their combined share was £3,881 out of a total of £10,767. (Effective April 1, 1940, imports are reduced by 50 per cent from the amounts imported during the base year.)

Trimming and Ornaments n.e.i.: (50 per cent C, 50 per cent D).—This heading includes trim for shoes, hats, and other attire (not gold), braids n.e.i., fringes n.e.i., webbings n.e.i. and belting n.e.i. Total imports in the base year were valued at £181,288 of which £35,782 came from countries now controlled by Germany. Arrivals from Canada were worth £1,741.

Ribbons and Galoons n.e.i.: (50 per cent C, 50 per cent D).—Out of total imports valued at £81,054, Germany's share was £6,262 as compared with £27,468 for France and £26,604 for Switzerland. Canada's share was worth £20.

Handkerchiefs and Serviettes of Cotton or Linen: (50 per cent C, 50 per cent D).—Total imports under this heading were valued at £257,848 during the base year. The United Kingdom with £101,349 was the largest supplier, but Germany and Czecho-Slovakia shipped goods worth £6,719. There were no imports from Canada. (Effective April 1, 1940, imports are reduced by 50 per cent of the amounts imported in the base year.)

Piece-goods, Printed, Dyed, or Coloured. n.e.i.: (B).—Total imports under this heading during the base year were valued at £2,456,172, about 80 per cent originating in the United Kingdom. Germany and Czecho-Slovakia together supplied to a value of £17,892, which is less than half the value of shipments from Canada. This product is not likely to be adversely affected by the import control regulations in the immediate future, while the availability of supplies in Canada should result in a substantial portion of the former German business being diverted to the Dominion.

Tapestries containing more than 90 per cent by weight of Cotton or Linen, or both: (B).—Imports from German-controlled territories were valued at £16,501 during the base year out of total imports valued at £104,123. Belgium with £59,538 was the largest supplier; there were no arrivals from Canada.

Piece-goods, Silk (not Knitted): (B).—Total imports for the year were valued at £163,703, of which the largest portion (£94,682) came from Japan. German-controlled areas supplied to a value of £9,453 as compared with £1,302 for Canada. As deliveries from Japan are normal, she will share in any increased business that becomes available.

Piece-goods, Artificial Silk (not Knitted): (B).—Total imports during the base year were valued at £2,447,845, of which almost 50 per cent originated in Japan. Czecho-Slovakia's share was £35,001, Germany's £142,941, and Poland's £933 as compared with £118,518 for Canada. Shipments from Canada have already increased as a result of the elimination of German supplies.

Velvets, Plushes, Cloths imitating Furs, Astrakhans (excepting Moquettes): (25 per cent B, 50 per cent C, 25 per cent D).—Total imports in the base year were valued at £239,072, of which £56,983 was credited to France. Germany was credited with £23,334 and Czecho-Slovakia with £897, while Canada's share was £2,667. Some business has already been transferred to Canada from Europe, while Japan has also benefited.

Sewing and Embroidery Silk and Silk Twists: (B).—Total imports were valued at £79,502, of which Germany's share was £5,882. Canada should be able to take care of additional business, as her shipments during the base year were valued at £7,966.

Bulk Oils n.e.i., including Vegetable Unspecified, and Tallow Oil.—Several classifications have been given these oils, but in general C rating applies. Total imports during the base year were valued at £121,218. Germany's shipments were valued at £18,724 as compared with £753 for Canada. There has been a marked increase in the demand for these oils, not only on account of the cessation of German supplies but because British shipments have also been reduced. The United States has generally been the largest shipper, followed by the United Kingdom, Germany and Russia.

Bronzing and Metal Powders: (B).—Out of total imports valued at £26,693 during the base year, Germany supplied to a value of £15,635 or 60 per cent and Canada to a value of £4,256, or 15 per cent. There is an acute shortage of certain types, particularly aluminium powder, and importers are making efforts to obtain supplies from Canada and other non-sterling countries. The former German agents hold the largest quotas and, as Canadian exporters are already represented, it is possible that displaced German business will go to unrepresented manufacturers in the United States and Japan.

Dry Colours n.e.i.: (C).—Total imports during the base year were valued at £210,585, of which £168,784 is credited to the United Kingdom and £12,154 to Germany. Certain colours are no longer available from the United Kingdom and, with the withdrawal of Germany as a source of supply, Canada is expected to increase her shipments which were valued at £4,719.

Sand, Glass and Emery Paper and Cloth.—Glass and flint papers are given a C rating; all other types, 50 per cent A and 50 per cent B. Total imports under this heading were valued at £86,075 during the base year. The United Kingdom with £67,714 was the leading supplier, followed by Canada (£11,955), Switzerland (£2,747) and Germany (£2,105).

Adding and Computing Machinery: (C).—Imports under this heading in the base year were valued at £157,196, of which shipments worth £106,667 originated in the United States. Canada with £24,012 was in second place, followed by Sweden (£9,314) and Germany (£8,873). As Sweden is finding it difficult to maintain deliveries and German shipments have been eliminated, an increased interest is being shown in Canadian offers.

Cement-making Machines: (C).—Two countries—the United Kingdom (£20,698) and Germany (£6,238)—supplied the bulk of the £27,259 worth of cement-making machines imported into Australia during the base year.

Cocoa and Confectionery-making Machines: (A).—The most important supplier under this heading during the base year was Germany, with £11,558 out of total imports valued at £20,613.

Pasteurizers: (50 per cent C, 50 per cent D).—The United Kingdom (£19,141), Germany (£16,601) and the United States (£14,784) accounted for most of the total import value of £62,858 under this heading in the base year. No arrivals from Canada are recorded.

Covered Telephone and Telegraph Cable and Wire: (A).—Total imports were valued at £80,590, of which £46,502 is credited to the United Kingdom and £25,933 to Germany. Shipments from Canada were valued at £16, which should be larger next year if any of the former German business is transferred. If difficulties are experienced with deliveries from the United Kingdom, minor relaxations in the regulations may be expected. Plans are under way to manufacture a large range of such wires in Australia, which will ultimately affect the opportunities for further business from Canada.

Carbon Manufactures of All Kinds, including Carbon Blocks: (B).—Canada's share was £32,485 out of total imports worth £84,716 in the base year, making the Dominion the largest shipper. Imports from Germany were valued at £9,325, a portion of which may be expected to come from Canada this year.

Dynamos, Alternating Current.—The classification varies from B to C, depending on power. Total imports in the base year were valued at £154,347, of which £117,891 is credited to the United Kingdom. Non-sterling sources certain or likely to be affected by the war

include Germany (£4,486), Czecho-Slovakia (£534), Sweden (£15,217) and Denmark (£1,766). This may be expected to increase Canada's trade, which was valued at £809 during the period under review.

Electric Motors n.e.i.—Some motors under this classification are given a B rating and others a C rating. Total imports in the base year were valued at £219,399, the United Kingdom (£165,944) and the United States (£20,072) being the largest suppliers. Germany supplied 47,104 motors valued at £19,897, so that there is some hope for an increase in the Canadian figure which amounted to £4,756 during the period.

Drilling Machines: (A).—Total imports were valued at £126,444, of which £93,400 is credited to the United Kingdom. Germany (£14,716) and Czecho-Slovakia (£3,594) are definitely eliminated as suppliers, while Sweden (£6,408) and France (£211) find it difficult to maintain deliveries. Sales by Canada, amounting to £148 during the base year, should show an improvement this year.

Knitting Machines: (A).—Total imports under this heading in the base year were valued at £104,258, of which Germany (£46,398) supplied the greatest part. The United Kingdom (£29,209) and the United States (£23,572) supplied the bulk of the remainder, Canada's share being £218.

Knitting-machine Needles: (A).—The bulk of the machines operating in Australia are of German origin, and German needles are in greatest demand. Total imports in the period under review were valued at £18,599, of which £10,324 is credited to Germany. Canada with £5,150 was the second largest supplier and should increase her sales next year.

Grinding Machines: (A).—Total imports during the base year amounted to £118,730, of which £55,421 is credited to the United Kingdom and £34,913 to the United States. Germany with £10,961 and Czecho-Slovakia with £9,965 were the largest non-sterling suppliers affected by the hostilities, so that some increase in the £74 recorded for Canada is expected.

Lathes: (A).—Total imports were valued at £352,839, of which shipments valued at £235,838 and £37,353 originated in the United Kingdom and Canada respectively. The cutting-off of Czecho-Slovakia (£6,783) and Germany (£32,798) as sources of supply should result in larger shipments from Canada, particularly as the United Kingdom is already far behind on deliveries.

Other Machinery.—Germany has been an important supplier of various metal-working machines, including £5,234 for planing and shaping machines; £5,336 for presses, punches and shearing machines; £5,737 for milling machines; and £75,000 for other types. Canada's share in this business has not been large, but inquiries are numerous and merit attention. There have been important arrivals of paper-making and paper-working machinery from Germany in recent years, shipments being worth approximately £25,000 during the base year. Additional shipments worth £5,469 came from Sweden. The local paper-making industry is expanding, and an increase in the £1,514 which was spent in Canada last year may be expected. Under the heading "machinery n.e.i.," imports from Germany in the base year were valued at £81,294 and those from Canada at £2,533. In addition, certain Scandinavian countries were important suppliers, particularly Sweden with £10,084.

Printing Machines and Presses: (B and C).—Although Germany supplied to a value of £32,504 under this heading in the base year, it is unlikely that Canada will be able to obtain any benefit through the elimination of that source of supply, as the United Kingdom and the United States have always been important suppliers.

Tractors (not Steam; not Caterpillar Type): (50 per cent A, 50 per cent B).—The United States (£403,944) and Germany (£166,495) obtained the largest share of this business, which was worth £602,375 during the base year. Canada does not appear as a supplier, although she furnished parts worth £11,062. If suitable types are offered, business should be possible.

Roller Bearings: (A).—Imports under this heading amounted to £214,112, slightly more than 50 per cent originating in the United Kingdom. Czecho-Slovakia (£1,210), Germany (£8,527), and Sweden (£45,631) accounted for the bulk of the supplies from non-sterling countries.

Sewing Machines.—Industrial machines, including stitching machines, button-hole punching, and darning machines are given an A rating under the regulations, while domestic machines get a C rating. Canada has not appeared as a supplier of either type in recent years, although imports from all sources were valued at £321,210 in the base year. Of this figure German-controlled countries are credited with £26,300 in industrial machines and £35,192 in domestic.

Lamps, Lampware, and Lanterns n.e.i. and Parts: (C).—Under this heading shipments from Germany and Czecho-Slovakia combined were valued at £11,898 in the base year. The largest supplier was the United Kingdom (£67,581), followed by the Netherlands (£27,636). Canada was in fifth place with £8,224. Hurricane lanterns comprise a substantial portion

of the imports under this heading, and numerous inquiries have been made in the United States and Canada for lines to replace supplies formerly obtained from continental sources. To date United States suppliers have benefited more than Canadian, as their prices have been more competitive, quotations for ordinary types ranging between \$4.40 and \$6.80 per dozen f.a.s. New York in American funds. (Effective April 1, 1940, imports of lamps and lanterns are reduced by 50 per cent of the amounts imported during the base year.)

*Oil or Spirit Heating Lamps: (C).—*Ever since the outbreak of war there has been a keen demand for such heating appliances from Canada. Imports in the base year were valued at £30,405, of which Germany's share was £7,226 and Sweden's £9,591. Shipments from Canada were valued at £4,370. The sale of slow combustion heaters has increased rapidly in Australia in recent years, German brands being favoured. (Effective April 1, 1940, imports of kerosene room heaters are prohibited, and imports of oil or spirit lamps, except those already prohibited, are reduced by 25 per cent from the amounts imported during the year ended June 30, 1939.)

*Tools of Trade n.e.i.: (50 per cent C, 50 per cent D).—*Imports in the base year were valued at £574,016, of which the United Kingdom supplied to a value of £266,871; United States, £152,180; Germany, £83,077; Canada, £41,076; and Sweden, £16,987.

*Bottles, Flasks, Jars, Vials and Tubes of Glass, Earthenware, Stoneware or China: (C).—*Total imports were valued at £47,383, the chief suppliers being the United Kingdom (£19,689), Japan (£9,102), Germany (£6,925), Canada (£1,483), and Czecho-Slovakia (£1,039).

*Crockery and Householdware of Chinaware, Porcelainware, or Earthenware: (C).—*Out of total imports valued at £559,176, shipments to a value of £403,010 came from the United Kingdom, £126,085 from Japan, £13,885 from Czecho-Slovakia and £10,983 from Germany. Inquiries for Canadian sources are numerous, the greatest demand being for ordinary household dinner sets and similar ware.

*Electrical Ware of Earthenware and Porcelainware, including Insulators: (C).—*In the base year Canada's share was £28,029 out of total imports valued at £48,457. An increase is possible in the present year, assuming that any of the £5,417 that went to Germany is diverted to Canada.

*Polished and Patent Plate Glass: (C).—*Belgium with £144,626 is credited with the bulk of the £289,786 representing the total value of imports under this heading in the base year. In the same year shipments from Czecho-Slovakia were valued at £2,313 and from Germany at £14,432. Deliveries from these sources have been affected by the hostilities, and offers of Canadian glass would certainly be of interest, although no imports have so far been recorded.

*Laboratory Glassware: (B).—*Out of total imports valued at £11,267, Germany supplied approximately 50 per cent and the United Kingdom slightly less. No arrivals were reported from Canada.

*Paper Boards n.e.i.: (C).—*An increase in local manufacturing capacity has replaced a portion of the business that Canadian mills might expect to receive as a result of the cessation of imports from former suppliers in Europe and reduced shipments from Scandinavian neutrals. The following table shows the principal suppliers during the base year:—

	Cwts.	£
Total	189,406	230,492
United Kingdom	37,274	75,037
Canada	14,265	14,333
Finland	40,562	23,103
Germany	38,129	39,248
Sweden	40,569	40,252

Despite the greater facilities for local manufacture, there are still opportunities for Canadian firms with exportable surpluses.

*Dry Flong for Stereo Matrices: (B).—*Although the United Kingdom with £9,711 was the largest supplier in the base year, deliveries are now uncertain because of the difficulty of getting the necessary raw materials from Scandinavia. Germany supplied to a value of £1,691 out of the £12,592 total, and already a good portion of this quota has gone to Canada. Prices for first quality approximate 14 cents Canadian f.o.b. per sheet measuring 20 inches by 24 inches.

*Fruit Wrapping Paper: (B).—*Although Canada is credited with approximately half of the total value of imports last year, amounting to £56,305, Czecho-Slovakia with £11,202 and Germany with £11,613 were the most important competitors. The bulk of this business should go to Canada during the present year.

*Paper (Other Types).—*Germany and Scandinavia have always been important suppliers of paper and allied lines to Australia, and no other products have been in greater demand from Canada as a result of the war. Although Canada has always obtained the greatest

share of the roll newsprint business, the United Kingdom and Scandinavia have dominated many of the other fields. The value of imports of paper n.e.i., glazed or unglazed, in sheets, for example, amounted to £577,765 in the base year, of which £378,461 was credited to the United Kingdom, £55,615 to Germany, £35,802 to Sweden, £27,108 to Norway, £21,128 to Finland, and £1,465 to Czecho-Slovakia. Shipments from Canada during the same period were valued at £14,863. Imports of plain and embossed surface-coated papers, marble paper and foil papers were valued at £54,756, Germany with £16,194 being the largest shipper, followed by the United Kingdom (£11,920), United States (£11,577), Belgium (£11,505), Sweden (£1,749), and Canada (£1,174). Local importers will take all quantities offered by Canada that are permitted entry under the import restriction regulations.

Much the same situation applies in the case of tissue and tissue cap paper and paper for paper patterns, imports of which were valued at £91,938 in the base year. Germany supplied to a value of £26,462, followed by Sweden (£22,624), Norway (£10,716), Czecho-Slovakia (£8,684), United Kingdom (£7,680), and Canada (£5,966). Next to the United Kingdom with £64,207, Germany with £10,918 was the largest supplier of true vegetable parchment, while Germany with Czecho-Slovakia, Estonia, Finland, Norway and Sweden supplied to a value of £15,647 out of the £31,095 worth of mill-glazed sulphite imported. The situation is even more serious with imitation and genuine grease-proof wrappings, the above-mentioned countries being credited with £94,026 out of total imports valued at £98,731 during the base year. Such papers have been given a B rating and imports are not likely to be restricted for some time. Other types include caps and casings, of which Germany supplied to a value of £6,159, Norway £1,344, and Sweden £14,580 out of a £41,005 total, and writing and typewriting papers, of which Germany's share was £21,174, Czecho-Slovakia's £31,098, Finland's £21,174, Norway's £64,945, and Sweden's £12,567 out of a £497,602 total.

Fancy Goods.—The ratings given different items under this heading vary, with C or 50 per cent C and 50 per cent D predominating. The principal products of importance from German-controlled countries include bangles, brooches, studs, links, etc. (£14,734), toilet combs (£2,481), smokers' accessories (£10,984), toys (£22,605), and fancy goods n.e.i. (£22,000). (Effective April 1, 1940, imports of card cases, hatpins, beads, brooches and other specified fancy goods are reduced by 50 per cent of the amounts imported in the base year.)

Timepieces.—Imports of clocks, partly or wholly of wood, are now prohibited from non-sterling countries, while clocks, n.e.i., movements and parts, time registers and detectors, watches and chronometers, and watch movements n.e.i. are given a C rating. A 50 per cent C and 50 per cent D rating is given nickel, chromium and steel wrist-watches and cases, and watches n.e.i. Germany supplied goods to the value of £82,670 under admissible headings during the base year, and with deliveries from Switzerland uncertain there has been a steady demand for Canadian connections in recent months. (Effective April 1, 1940, imports of clocks, wrist-watches and cases therefor are reduced by 50 per cent of the amounts imported in the base year.)

Sensitized Film: (C).—Although Canada, with £102,307 out of total imports of £179,623, was the largest supplier under this heading in the base year. Germany with £35,854 was in second place. Current inquiries are directed to the United States and Canada.

Spectacles and Frames, Magnifying and Reading Glasses.—Originally everything under this heading except edged lenses for spectacles—which were prohibited—was given a 50 per cent B and 50 per cent C rating. Because of the difficulty in getting adequate supplies from sterling countries, it was decided to allow importers to purchase their requirements from non-sterling countries for the time being on the basis of their purchases from the United Kingdom during the base year, and the classification of the permissible items was raised from a 50 per cent B and 50 per cent C rating to a B rating. Germany was the leading supplier during the base year with shipments valued at £15,761 out of a total of £20,406. Canada (£754) and the United States (£2,807) should benefit from the removal of German competition.

Cameras, including Mounted Lenses and Accessories, n.e.i. (not including Tripods).—Imports under this heading are treated variously under the import control scheme, cameras for commercial use and camera parts being given a B rating and other cameras a 50 per cent C and 50 per cent D rating, while accessories are prohibited. Germany with imports valued at £66,216 was the largest supplier in the base year, followed by the United States (£43,481), United Kingdom (£28,688), and Canada (£24,303). Total imports were valued at £170,293. The United States, Canada, and the United Kingdom are benefiting from the removal of German competition. (Effective April 1, 1940, imports of cameras, except for commercial use, are reduced by 50 per cent of the amounts imported in the base year.)

Surgical and Dental and Veterinary Instruments, Appliances and Materials.—Most imports under this heading are given an A rating. In certain cases Germany was an important source of supply, e.g. amputating, dissecting and operating instruments, of which she

supplied 25 per cent of the total imports valued at £60,000. She supplied a similar proportion of the total imports of dental cements valued at £23,855. Germany was also important as a supplier of X-ray equipment, being credited with £9,884 out of the total import value of £28,506 in the base year.

Drugs, Chemicals, etc.—The rating given items under this heading depends on whether or not adequate supplies are available locally or from sterling sources. As Germany has always been an important source for a multitude of chemicals, most of the items included in this group are given a high rating under the import control scheme. Among the acids, formic, acetylsalicylic, lactic, oxalic, and phosphoric came from Germany, while she also supplied sal ammoniac (£3,637), butyl alcohol (£5,118), calcium cyanide (£9,080), tetrachloride (£5,208), and butyl acetate (£15,298). Among the drugs and medicinal preparations Germany was an important supplier of liver extracts (£3,126), proprietary medicines (£70,478) and miscellaneous drugs and preparations (£21,411). She was second only to the United Kingdom (£264,814) as a supplier of synthetic dyes with shipments valued at £65,335 in the base year. The only fertilizers of importance to come from Germany were sulphate of potash valued at £15,330 out of total imports worth £25,504, and muriate of potash valued at £19,348 out of a total of £56,522. Germany was also the largest shipper of potassium carbonate (£16,609), potassium chlorate (£5,208), potassium hydroxide (£17,312), and potassium nitrate (£21,888). She also supplied miscellaneous chemicals to the value of £86,490.

Guns and Rifles (Approved Test Marked): 50 per cent C, 50 per cent D.—Germany supplied to a value of £8,729 out of total imports valued at £42,066.

Vacuum Cleaners (Household Type).—Imports of cleaners of the "outside bag" type have been prohibited, and other types are given a 50 per cent C and 50 per cent D rating. Total imports of the latter variety were valued at £185,539 in the base year, Germany supplying to a value of £28,580. Sweden with £38,315 was also an important source affected by the war, while shipments from the Netherlands (£13,159) have also been substantially reduced. (Effective April 1, 1940, imports of domestic vacuum cleaners, except those already prohibited, are reduced by 50 per cent of the amount imported in the base year.)

Celluloid Sheets: (B).—Germany with £10,174 was second only to the United States (£46,813) as a supplier under this heading in the base year.

Military Band and Orchestral Musical Instruments: (C).—In the base year Germany with £18,294 out of a £62,289 total was the largest overseas supplier. (Effective April 1, 1940, imports are reduced by 50 per cent of the amounts imported in the year ended June 30, 1939.)

Musical Instruments n.e.i.: (C).—In the base year Germany with £38,637 out of a total of £63,900 was again the largest supplier.

While the foregoing details give some indication of the trading opportunities in Australia at the present as a result of the total elimination of certain sources of supply and the partial removal of others, any extension of the present list of prohibited imports would considerably alter the outlook. Additions are expected in the near future, but as an indication has been given of the present grading accorded most items, the effect of further restrictions can be easily determined.

CONTROL OF IMPORTS INTO SIERRA LEONE

H. L. BROWN, ASSISTANT TRADE COMMISSIONER

London, March 27, 1940.—With reference to the report on "Wartime Trade Regulations in British West Africa," published in *Commercial Intelligence Journal* No. 1884 (March 9, 1940), the authorities in Sierra Leone have announced that all importations into Sierra Leone are subject to control regulations, which are summarized herewith.

COMMODITIES AFFECTED

By the Defence (Control of Imports) Regulations, 1940 (Public Notice No. 37) published and effective March 11, 1940, the importation of all goods

in Schedule I is prohibited except with the written permission of the Governor, and the importation of all goods listed in Schedule II is prohibited except under licence granted as described below.

Schedule I includes beer, biscuits, butter substitutes, confectionery, fresh fish, fresh or condensed milk, cream, milk powder except unsweetened, whisky, agricultural machinery, brooms and brushes, cement, oilcloth and linoleum, rubber goods except tires and tubes, toys and games, casks, shooks, staves and headings.

Schedule II includes butter, cheese, canned fish, dried and salted fish, fresh and dried fruit, wheat flour, beans and peas, canned fruits, lard, meats, evaporated milk, unsweetened milk powder, pickles and sauces, gin, tobacco in all forms, dried and canned vegetables, lumber, footwear, radios, agricultural implements and tools, most classes of machinery, buckets, pails and basins, automobiles and tires and tubes, calcium carbide, lamps and lanterns, medicines and drugs, paper.

These regulations do not apply to goods proved to be grown, produced, or manufactured in or consigned from (a) a part of the British Empire the currency of which is based on sterling, or (b) a part of any French colony having a land frontier with Sierra Leone. [The operation of the Importation of Textiles (Quotas) Ordinance, 1934, is suspended.]

LICENCES

A licence to import any goods affected by these regulations may be granted by the Controller of Imports, i.e. the Comptroller of Customs, at his absolute discretion, and no reason shall be assigned for the refusal to grant any such licence. Licences may be general or specific. In the issue of licences attention will be given to the value rather than the quantity of the goods to be licensed, and the value will be the limiting factor. Normally licences will cover the total value of goods to be imported from any one country during a period of six months, but separate licences will be required for each indent of certain classes of machinery, commercial automobiles and parts, and private automobiles (but not parts).

GENERAL LICENCE NO. 1

Under date March 11, General Licence No. 1 was granted for the importation from any place whatsoever of a number of items classifiable under Schedule II, of which those of interest to Canada are: dried and salted fish, dried fruit, beans, peas and other pulse, manufactured tobacco, undressed lumber, cordage, agricultural implements and tools, calcium carbide, medicines and drugs.

EFFECT ON CANADIAN TRADE

General Licence No. 1 does not cover the commodities of most interest to Canadian exporters, for example, wheat flour, leaf tobacco, canned fish, alcoholic beverages, automobiles, and partly or wholly dressed lumber. Consequently the importation of these goods from Canada is subject to the granting of a licence to the importer for each class of goods, either a specific licence for one shipment or a general one covering the six months' period provided for.

CANADA'S DOMESTIC EXPORTS TO THE UNITED STATES OF PRINCIPAL COMMODITIES AFFECTED BY THE CANADA-UNITED STATES TRADE AGREEMENT
EFFECTIVE FROM JANUARY 1, 1939; ALSO UNITED STATES TARIFF RATES IN FORCE. (MONTH OF MARCH, 1939 AND 1940).

NOTE:—The descriptions of the commodities in the following table are taken from the Canadian Customs statistical classification. The tariff rates are taken from the United States tariff classification. These classifications are not always identical, and the rates quoted, therefore, may not apply in all cases entirely, or exclusively, to the commodities for which statistics are given. A number of products affected by the agreement are not included in the table because statistics are not available.

(COMPILED BY THE EXTERNAL TRADE BRANCH, DOMINION BUREAU OF STATISTICS; AND THE FOREIGN TARIFFS BRANCH)

Commodities	Quantities				Value				United States Tariff	
	Month of March		Three Months ended March		Month of March		Three Months ended March		Before first Agreement, i.e., 1935	Canada-United States Agreement, (Jan. 1, 1939)
	1939	1940	1939	1940	1939	1940	1939	1940		
AGRICULTURAL AND VEGETABLE PRODUCTS										
Fruits and vegetables—										
Blueberries, frozen.....	119,404	34,490	282,604	198,750	5,794	1,895	14,503	12,474	35% ad val.	17½% ad val.
Blueberries, fresh, n.p.....	62,040		405,633		3,510		23,399		1½c. per lb.	1½c. per lb.
Potatoes, seed, certified.....	39,426	26,310	198,731	104,042	28,903	23,812	187,346	92,443	75c. per 100 lbs.	37½c. per 100 lbs., March to Nov.; 30c. per 100 lbs., Dec. to last day of Feb. (d)
										100 lbs., Dec. to last day of Feb. (d)
										75c. per 100 lbs. on imports in excess of 1,500,000 bu. per 12-month period beginning Sept. 15
Potatoes, n.o.p.....	115,793	10,866	116,704	24,569	73,505	8,829	74,238	19,431	75c. per 100 lbs.	37½c. per 100 lbs., Mar. 1 to Nov. 30; 60c. per 100 lbs., Dec. 1 to last day of Feb.
										75c. per 100 lbs. on imports in excess of 1,000,000 bu. plus quantity domestic crop falls below 350,000,000 bu. per 12-month period, beginning Sept. 15
Turnips.....	235,148	248,957	802,402	957,945	88,206	104,102	273,743	425,197	25c. per 100 lbs.	12½c. per 100 lbs.
Grains and farinaceous products—										
Barley.....	838	4,107	840	4,127	270	3,538	272	3,549	20c. per bu.	15c. per bu.
Oats.....	150,003	503,903	281,383	988,109	55,502	241,972	103,235	477,802	16c. per bu.	8c. per bu.
Rye.....									15c. per bu.	12c. per bu.
Bran, shorts and middlings.....	247,632	392,034	594,787	1,252,153	250,207	410,663	564,034	1,275,414	10% ad val.	5% ad val.
Cereal foods, prepared.....					7,225	6,192	21,650	16,932	20% ad val.	10% ad val.
Malt.....	119,004	96,990	310,332	313,854	102,565	71,873	274,804	231,273	40c. per 100 lbs.	40c. per 100 lbs., if barley malt; 35c. per 100 lbs. if rye malt.
Screenings, scalpings, chaff or scourings of grain, ground or unground.....										
Maple Syrup.....	28,025	196,376	82,200	382,748	7,733	45,479	23,342	130,308	10% ad val.	5% ad val.
Maple sugar.....	142,539	19,554	1,110,271	46,537	21,784	2,939	185,189	1,531	4c. per lb.	2c. per lb.
Whiskey.....	104,923	68,825	237,764	219,673	691,813	367,668	1,284,108	1,180,277	\$5 per pf. gal.	\$2.50 per pf. gal. if aged in wooden containers for at least four years

Seeds—									
Clover seed, alfalfa.....	Bu.	4, 130	5, 309	20, 304	25, 169	49, 617	60, 804	227, 776	285, 139 3c. per lb. 19, 268 3c. per lb. 344 3c. per lb. 14, 350 4c. per lb. 103, 526 2c. per lb. 34, 355 2c. per lb.
Clover seed, alsike.....	Bu.	10	75	103	2, 382	74	817	154, 537	4c. per lb. 4c. per lb. 4c. per lb. 2c. per lb. 1c. per lb.
Clover seed, red.....	Bu.	13, 169	3, 141	41, 090	9, 220	21, 603	5, 334	73, 340	1c. per lb.
Grass seed, bromo (a).....	Bu.	32, 063	10, 005	.....	80, 505	.....	42, 025	.....	1c. per lb.
Grass seed, crested wheat (a).....	Bu.	1, 293	2, 020	2, 635	6, 408	5, 310	8, 404	10, 357	1c. per lb.
Grass seed, n.o.p. (included bromo and crested wheat grass seed prior to April 1, 1939).....	Bu.	13, 594	3, 265	95, 766	5, 365	22, 203	4, 306	154, 537	1c. per lb. if timothy, 40c. per lb. if bent grass, 5c. per lb. if blue grass, 33, 149 85c. per ton (2,240 lbs.) 68, 960 10c. per 100 lbs. 20, 700 10c. ad val. 248, 700 85c. per ton (2,000 lbs.) 26, 432 83c. per ton (2,240 lbs.) if flax straw; if flax straw; if otherwise.
ANIMALS AND ANIMAL PRODUCTS									
Animals, living—									
Cattle for improvement of stock.....	No.	649	441	1, 798	1, 060	62, 969	44, 109	178, 704	Free.
Dairy cattle, n.o.p., weighing over 700 lbs.....	No.	722	275	2, 054	1, 235	45, 349	18, 831	132, 076	13c. per lb. 23c. per lb. on imports in excess of 100,000 head during any calendar year.
Cattle, n.o.p., weighing less than 200 lbs.....	No.	8, 019	3, 182	14, 414	10, 006	130, 091	63, 216	252, 145	13c. per lb. 23c. per lb. on imports in excess of 100,000 head during any calendar year.
Cattle, n.o.p., weighing over 700 lbs.....	No.	2, 295	9, 074	38, 538	18, 672	152, 563	657, 112	2, 465, 963	13c. per lb. 3c. per lb. on imports in excess of 225,000 head during any calendar year, or 60,000 head during any quarter (c); not more than \$150; 20% ad val. if valued at 17 1/2% ad val. if valued at more than \$150.
Horses, n.o.p.....	No.	895	483	1, 660	1, 218	100, 904	63, 613	198, 422	7, 851 8c. per lb. 2c. per lb. 1c. per lb.
Poultry, n.o.p.....	No.	2, 379	2, 332	24, 788	10, 984	942	1, 192	19, 290	Free.
Swine, n.o.p.....	No.	8, 643	4, 526	16, 563	13, 748	9, 853	6, 392	17, 927	Free.
Fish, fresh and frozen.....	No.	419	924	1, 554	1, 592	7, 804	19, 514	28, 200	Free.
Clams and oysters, fresh.....	Cwt.	.....	.....	.....	.....	.....	.....	.....	Free.
Scallops, fresh and frozen.....	Cwt.	.....	.....	.....	.....	.....	.....	.....	Free.
Cod, haddock, hake, pollock, cusk, and rosefish, fresh and frozen, filleted (b).....	Cwt.	.....	.....	.....	.....	.....	.....	.....	11c. per lb., subject to quota.
Other fish, fresh and frozen, filleted (b).....	Cwt.	.....	.....	.....	.....	.....	.....	.....	23c. per lb.
Cod, haddock, pollock, hake and cusk, fresh and frozen, not filleted (included fillets prior to Jan. 1, 1940).....	Cwt.	17, 962	3, 255	42, 846	10, 247	107, 270	17, 687	262, 582	4c. per lb. without fins removed; 1c. per lb. with fins removed.
Fish, fresh and frozen.....	Cwt.	60	366	266	685	590	2, 273	2, 147	4c. per lb. 1c. per lb. with fins removed.
Haddock, fresh and frozen, not filleted (included fillets prior to Jan. 1, 1940).....	Cwt.	9, 243	4, 298	11, 762	9, 723	95, 300	50, 388	129, 106	11c. per lb.
Herring, sea, fresh and frozen.....	Cwt.	1, 077	4, 324	7, 211	20, 726	1, 894	7, 205	18, 650	39 0/63 Free.

(a) From April 1, 1939. (b) From January 1, 1940.

(c) Quota for period Jan. 1-Dec. 31, 1940 (225,000 head), allocated 86.2 per cent to Canada and 13.8 per cent to other countries, equivalent to 103,950 head to Canada and 31,050 head to other countries. Maximum quarterly quota (60,000 head) allocated on same basis: Canada, 51,730 head, other countries 8,260 head.

(d) Effective December 23, 1939, the rate of 37 1/2c. per 100 lbs. applies also December 1 to last day of February.

ANADA'S DOMESTIC EXPORTS TO THE UNITED STATES OF PRINCIPAL COMMODITIES AFFECTED BY THE CANADA-UNITED STATES TRADE AGREEMENT
EFFECTIVE FROM JANUARY 1, 1939; ALSO UNITED STATES TARIFF RATES IN FORCE. (MONTH OF MARCH, 1939 AND 1940, AND THREE
MONTHS ENDED MARCH, 1939 AND 1940).—Continued

Commodities	Quantities				Value				United States Tariff	
	Month of March		Three Months ended March		Month of March		Three Months ended March		Before first Agreement, i.e., 1935	Canada-United States Agreement, (Jan. 1, 1939)
	1939	1940	1939	1940	1939	1940	1939	1940		
ANIMALS AND ANIMAL PRODUCTS—Con.										
Fish, fresh and frozen—Con.										
Lobsters, fresh.....Cwt.	2, 019	1, 315	13, 125	13, 804	71, 727	41, 058	288, 230	322, 054	Free.....	Free.
Mackerel, fresh and frozen (a).....Cwt.	755	874	2, 663	5, 047	2, 691	3, 458	12, 621	22, 671	2c. per lb.	1½c. per lb., if fresh; 1½c. per lb., if frozen.
Salmon, fresh and frozen (a).....Cwt.	2, 759	743	4, 493	5, 958	23, 766	8, 833	36, 732	49, 724	2c. per lb.	1c. per lb.
Smelts, fresh and frozen.....Cwt.	9, 905	10, 171	50, 176	41, 443	81, 443	80, 534	460, 683	359, 781	Free.....	Free.
Sturgeon, fresh and frozen (a).....Cwt.	48	70	438	716	2, 066	2, 477	20, 010	23, 523	1c. per lb.	1c. per lb., if not frozen.
Swordfish, fresh and frozen (a).....Cwt.	.....	42	159	99	.....	786	3, 197	1, 315	2c. per lb.	1c. per lb., if not frozen.
Fresh-water fish, other, fresh and frozen (a).....Cwt.	76, 033	61, 142	212, 990	201, 979	555, 475	461, 844	1, 514, 128	1, 460, 643	1c. per lb.	2c. per lb.
Fish, salted, dried, smoked or pickled—										
Cod, haddock, pollock, hake and cusk, dried.....Cwt.	8, 511	3, 589	25, 221	15, 210	59, 811	27, 592	170, 640	115, 850	1½c. per lb., if containing not more than 43% moisture.	1c. per lb., if containing not more than 43% moisture.
Cod, pollock, hake, and cusk, green-salted.....Cwt.	5, 515	4, 546	17, 390	18, 216	16, 678	12, 252	56, 139	52, 144	1c. per lb., if containing more than 43% moisture.	1c. per lb., if containing more than 43% moisture.
Cod and haddock, smoked.....Cwt.	3, 978	3, 489	12, 002	11, 384	38, 008	40, 630	116, 585	128, 030	2c. per lb., if skinned or boned.	1½c. per lb., if skinned or boned.
Herring, sea, pickled.....Cwt.	413	478	2, 877	5, 651	1, 397	1, 910	8, 641	19, 983	1c. per lb. (not filleted); 2c. per lb. (filleted).	1c. per lb. (not filleted); 2c. per lb. (filleted).
Herring, sea, smoked.....Cwt.	1, 437	694	3, 210	4, 883	7, 059	7, 631	17, 593	48, 311	1c. per lb., net weight.	1c. per lb., net weight.
Mackerel, pickled.....Cwt.	984	469	7, 106	4, 769	5, 791	3, 386	37, 694	26, 235	1c. per lb., if boned; 1½c. per lb., if not boned.	1c. per lb., if boned; 1½c. per lb., if not boned.
Salmon, pickled.....Cwt.	14	1, 657	320	3, 026	130	34, 855	6, 826	62, 844	1c. per lb., net weight.	1c. per lb., net weight.
Salmon, smoked.....Cwt.	2	.....	5	.....	45	.....	106	.....	25% ad val.	15% ad val.
Fish, canned—										
Lobsters, canned.....Cwt.	195	204	1, 066	795	9, 543	8, 724	42, 166	35, 259	Free.....	Free.
Fur skins, undressed—										
Beaver, fisher, lynx, mink, muskrat, and wolf skins, undressed.....No.	31, 723	19, 055	103, 631	172, 612	249, 733	223, 728	983, 684	1, 764, 575	Free.....	Free.
Fox skins, black and silver, undressed.....No.	2, 816	182	15, 367	24, 495	56, 848	1, 991	347, 500	368, 251	35% ad val.	35% ad val., subject to quota of 100,000 skins, of which 58.3% allocated to Canada.
Hair and bristles.....Sq. ft.	178, 836	57, 626	925, 516	481, 144	21, 441	39, 774	63, 470	135, 297	Free.....	Free.
Leather, patent.....Sq. ft.	.....	.....	.....	.....	37, 347	15, 987	186, 631	105, 298	15% ad val.	7½% ad val.
Meats—										
Bacon and hams, shoulders and sides.....Cwt.	623	380	1, 736	1, 135	21, 393	12, 766	60, 070	38, 036	3½c. per lb.	2c. per lb.
Pork, fresh, chilled and frozen.....Cwt.	2, 368	1, 346	6, 274	4, 802	45, 665	25, 188	102, 182	87, 341	2½c. per lb.	1½c. per lb., if fresh or chilled.
Pork, dry-salted.....Cwt.	.....	.....	.....	.....	.....	.....	.....	3½c. per lb.	2c. per lb.	2c. per lb.

Pork, pickled, in barrels.....	Cwt.	536	1,334	848	2,973	11,230	21,704	17,034	3½c. per lb.	2c. per lb.
Edible animal entrails, n.o.p.....	Cwt.	942	202	6,679	2,579	17,385	6,123	115,306	42,872 6c. per lb., but not less than 20% ad val.	3c. per lb., but not less than 15% ad val.
Milk products—										
Cheese.....	Cwt.								\$1,986 7c. per lb., but not less than 25% ad val.	4c. per lb., but not less than 25% ad val. if cheddar cheese, not further processed than divided into portions.
Cream.....	Gal.								50% 6c. per gal.	25% 6c. per gal.
									50% 6c. per gal. on imports in excess of 1,500,000 gals. during any calendar year.	50% 6c. per gal. on imports in excess of 3,000,000 gals. during any calendar year.
Milk, fresh.....	Gal.	408	102	904	635	153	50	339	104 6½c. per gal.	3½c. per gal.
Whale oil.....	Gal.								5c. per gal. if sperm oil.	2½c. per gal. if sperm oil.
Wood, Wood Products and Paper										
Christmas trees.....	No.	112,306	84,147	174,847	196,202	9,447	6,433	18,587	17,996 10% ad val.	5% ad val.
Fence posts.....	No.	16,131	6,550	50,230	39,132	46,947	20,799	15,268	16,065 Free.	Free.
Telegraph and telephone poles.....	No.	13,183	13,042	39,969	54,930	7,347	5,944	21,373	184,653 Free.	Free.
Railroad ties.....	No.	6,867	3,448	14,745	11,106	38,181	18,752	83,154	48,460 Free.	Free.
Firewood.....	Cord	9,902	8,266	29,072	28,754	30,377	23,142	86,052	58,302 Free.	Free.
Laths.....	M ft.	13,211	7,180	40,334	36,767	152,591	89,762	443,594	79,327 Free.	Free.
Logs.....	M ft.	5,046	1,331	8,575	2,524	30,994	14,175	58,017	505,015 Free.	Free.
Pickets.....	M ft.	3,300		13,923	2,460	330		1,334	25,451 Free.	Free.
Piling.....	Lin. ft.								685 \$1 M ft. b.m. if fir, spruce, pine, hemlock, or larch.	50c. per M ft. b.m. if fir, spruce, pine, hemlock, or larch.
Planks and boards and square timber—									Free if other kinds.	Free if other kinds.
Flooring of hardwood.....	M ft.	46	41	49	102	2,726	1,373	2,878	3,914 8% ad val. if maple, birch or beech.	4% ad val. if maple, birch or beech.
Planks and boards, hardwood, n.o.p., and square hardwood timber.....	M ft.	4,481	3,143	11,139	11,186	180,685	136,399	455,811	Free, but subject to \$3 M ft. b.m. revenue tax.	Free, but subject to \$1.50 M ft. b.m. revenue tax.
Planks and boards and square timber, softwood.....	M ft.	53,657	43,954	144,910	113,912	1,307,481	1,185,450	3,323,032	3,302,652 \$1 M ft. b.m. and \$3 50c. M ft. b.m. revenue tax if fir, spruce, pine, hemlock or larch.	M ft. b.m. revenue tax if fir, spruce, pine, hemlock or larch.
Pulpwood.....	Cord	43,146	51,722	138,293	197,640	282,643	367,087	915,588	Free, but subject to \$3 M ft. b.m. revenue tax if other woods.	Free, but subject to \$1.50 M ft. b.m. revenue tax if other woods.
Shingles.....	Square	315,927	211,142	821,869	582,161	891,719	532,800	2,328,793	1,407,106 Free.	Free.
									1,538,756 Free.	Free.

United States reserves right to impose duty not to exceed 25c. square on red cedar shingles in excess of 30% United States consumption.

CANADA'S DOMESTIC EXPORTS TO THE UNITED STATES OF PRINCIPAL COMMODITIES AFFECTED BY THE CANADA-UNITED STATES TRADE AGREEMENT
EFFECTIVE FROM JANUARY 1, 1939; ALSO UNITED STATES TARIFF RATES IN FORCE. (MONTH OF MARCH, 1939 AND 1940, AND THREE
MONTHS ENDED MARCH, 1939 AND 1940).—Continued

Commodities	Quantities				Value				United States Tariff	
	Month of March		Three Months ended February		Month of March		Three Months ended March		Before first Agreement, i.e., 1935	Canada-United States Agreement, (Jan. 1, 1939)
	1939	1940	1939	1940	1939	1940	1939	1940		
WOOD, WOOD PRODUCTS AND PAPER—Con.										
Staves and headings.....Cwt.	996,586	1,118,180	2,587,679	3,772,534			2,473	1,554	Free if staves.	Free if staves.
Wood pulp.....Cwt.					2,291,325	2,742,582	6,043,399	9,032,275	Free.....	Free.
Paper—										
Book paper, and newsprint paper, multi-	30,574	45,643	79,122	180,468	32,687	69,176	86,779	260,406	1c. per lb. and 10% ad val.	1/5c. per lb. and 5% ad val.
lated, or beater stock.....Cwt.										
Newsprint paper.....Cwt.	3,312,169	3,383,610	9,272,042	10,089,346	7,124,329	7,207,736	20,042,433	21,494,861	Free.....	Free.
Pulpboard for wallboard.....Cwt.	26,842	15,646	57,959	46,478	49,454	31,977	106,360	94,768	10% ad val. if pulpboard in rolls, not processed; \$14.50 per ton (2,000 lbs.) or more than 15% but not less than 30% ad val. if pulpboard in rolls, processed.	5% ad val. if pulpboard in rolls, not processed; 15% ad val. if pulpboard in rolls, processed.
IRON AND ITS PRODUCTS										
Castings of iron and steel, n.o.p.....Cwt.	392	5	593	105	1,723	40	3,236	546	20% ad val. if of iron....	10% ad val. if of iron.
Farm implements and machines and parts (except garden and farm tools and spades and shovels and parts).....Ton										
Ferro-silicon.....Ton	1,100	595	2,330	2,043	168,654	220,423	479,209	506,178	Free.....	Free.
Spiegeleisen.....Ton	2,536	9	5,682	276	27,516	15,036	56,402	49,533	1c. per lb. on silicon content when containing 8% but less than 30% of silicon.	1c. per lb. on silicon content when containing 8% but less than 30% of silicon.
Ferro-manganese and other ferro-alloys, n.o.p.....Ton	29	8	92	225	79,386	328	171,354	9,799	75c. per ton (2,240 lbs.)..	75c. per ton (2,240 lbs.)
Skates.....Pair	22,772	3,132	57,845	20,813	1,123	1,319	3,796	34,772	1 1/2c. per lb. on manganese content if ferro-manganese; 2 1/2c. per lb. on chromium content when containing not less than 3% of chromium; 1 1/2c. per lb. on chromium content when containing not less than 3% of carbon, if ferro-chrome.	1c. per lb. on manganese content when containing not less than 4% of carbon if ferro-manganese; 1 1/2c. per lb. on chromium content when containing not less than 3% of carbon, if ferro-chrome.
NON-FERROUS METALS AND PRODUCTS										
Aluminum in bars, blocks, ingots, sheets, etc.....Cwt.	4,126	19,614	20,084	33,575	50,698	267,137	411,070	472,393	4c. per lb., if crude.....	3c. per lb., if crude.
Aluminum scrap.....Cwt.	549	1,309	1,507	2,917	10,781	13,635	21,850	32,019	4c. per lb.....	3c. per lb.
Cadmium.....Lb.			22				10		15c. per lb.....	7 1/2c. per lb.

Cobalt, contained in ore.....	Cwt.	78	105	160	380	4,801	12,146	11,321	36,810	Free.	Free.
Cobalt, metallic.....	Lb.				15,080	20,354		59,132	350,940	Free.	Free.
Nickel, contained in oxide.....	Cwt.	944	4,488	4,900	261,173	1,890,883	104,014	5,529,833	7,181,080	3c. per lb.	2½c. per lb.
Nickel, fine.....	Cwt.	75,585	85,002	221,249	29,002	18,835	2,336,933	39,998	43,507	Free.	Free.
Selenium and salts of.....	Lb.	12,100	6,702	26,145	128,083		10,057		167,956	1½c. per lb. on zinc con-	1½c. per lb.
Zinc, contained in ore.....	Cwt.		23,483				10,212		36,609	1½c. per lb.	1½c. per lb.
Zinc spelter.....	Cwt.	12,000	4,000	37,200	12,000	38,101	12,205	122,255			
Non-Metallic Minerals and Products											
Abrasives, artificial, crude, including car-											
borundum.....	Cwt.	97,502	137,077	209,820	414,701	235,439	387,376	695,787	1,294,952	Free.	Free.
Asbestos, crude; asbestos milled fibres;											
and asbestos waste, refuse or shorts.....	Ton	17,243	14,958	43,911	45,608	580,967	592,625	1,452,210	1,735,581	Free.	Free.
Basic refractory materials, dead-burned.....	Ton	50		150		983		3,557	300	ad val.	15% or more of lime.
Coal tar and pitch; creosote oil; and coal											
tar oils, n.o.p.....	Gal.	297,102	342,464	814,089	1,437,024	30,047	35,343	70,885	151,518	Free.	Free.
Feldspar.....	Ton	295	622	1,153	3,013	1,800	3,018	7,675	18,296	50c. per ton (2,240 lbs.),	25c. per ton (2,240 lbs.),
Gypsum or plaster, crude.....	Ton	6,000	50,059	96,083	189,733	6,720	50,060	114,496	191,243	Free.	if crude;
Lime, building.....	Cwt.	12,733	14,425	18,036	29,107	5,100	5,782	8,333	11,573	5c. per 100 lbs., if lime-	15% ad val., if ground.
Lime, n.o.p.....	Cwt.									2½c. per 100 lbs., if lime-	Free.
Nepheline syenite.....	Ton	12,652	12,324	32,858	32,794	4,550	4,850	12,739	12,738	Same rates as above.	15% ad val., if ground.
Quartzite.....	Ton	663	45	1,825	3,403	397	67	1,075	2,753	Free.	Free.
Sand and Gravel.....	Ton	10,351	5,700	28,018	18,725	5,326	3,252	14,930	10,056	35% ad val.	17½% ad val., if valued
Talc.....	Cwt.										not more than \$14 ton.
Chemicals and Allied Products											
Acetic acid.....	Cwt.	15		2,505		37		11,862		1½c. per lb., if not over	2c. per lb., if not over
Acetylene black.....	Lb.	240,393	173,013	534,455	802,347	25,396	18,290	59,417	84,641	20% ad val.	1c. per lb., if over 65%.
Soda and sodium compounds.....	Cwt.	56,321	59,212	134,282	180,314	198,610	206,948	484,004	627,884	Free, if sodium cyanide.	10% ad val.
Vinyl acetate and synthetic resins made											
therefrom.....	Lb.	49,362	16,144	101,226	60,406	23,309	5,207	49,726	29,706	6c. per lb. and 30% ad 3c. per lb. and 15% ad	val.
Miscellaneous Commodities											
Junk, except metallic and rubber.....	Cwt.	2,672	3,562	4,298	7,968	7,182	8,053	18,294	23,505	10% ad val.	7½% ad val.
Organs and parts.....	No		1	1	3		10	61	11,883	35% ad val., if pipe	17½% ad val., if pipe
										organs and parts;	organs and parts;
										40% ad val., if pipe-	20% ad val., if pipe-
										organ player actions	organ player actions
										(church);	(church);
										60% ad val., if pipe-	30% ad val., if pipe-
										organ player actions	organ player actions
										(other).	(other).

ECONOMIC CONDITIONS IN THE NETHERLANDS IN 1939

J. A. LANGLEY, CANADIAN COMMERCIAL ATTACHÉ

(One metric ton equals 2,205 pounds; one florin or guilder equalled 54 cents Canadian during the period January-August, 1939, and at the end of the year the rate was approximately 59 cents.)

Rotterdam, February 22, 1940.—The first half of 1939 was marked by a certain measure of prosperity in the Netherlands. Unemployment figures decreased and there was greater activity in many branches of industry, production of heavy armament both in this country and abroad being to a considerable extent responsible.

During the first eight months of the year under review the Netherlands foreign trade, both imports and exports, remained above the level of the corresponding period of 1938. During the last four months of the year the value of imports showed a further increase, whereas foreign shipments declined considerably as shown in the following table:—

	January-August Millions of Guilders		January-December	
	1939	1938	1939	1938
Value of imports.. . . .	983	935	1,517	1,415
Value of exports.. . . .	704	666	966	1,039

Many new and larger sea-going vessels were put into service, and various industries were working to capacity. At the same time, however, the fear that a European conflict would break out had a depressing influence. Despite the fairly favourable trend during the first eight months, the Netherlands Government did not feel justified in relaxing import restrictions, reducing monopoly taxes on agricultural and horticultural products, or amending other legislation of a similar kind.

The outbreak of the war brought about a complete change, however, and several branches of industry began to feel the disastrous effects of the hostilities. Certain factories which could still obtain sufficient raw materials and those engaged in the manufacture of products and accessories required for defence purposes were satisfactorily occupied, but others found it extremely difficult to carry on.

The port movement of Rotterdam, the largest Netherlands harbour, has been severely affected, as shown by the following figures:—

	January-August		January-December	
	1939	1938	1939	1938
Number of vessels arrived.. .	10,484	10,138	11,298	14,542
Net tons.. . . .	16,862,341	16,334,850	18,580,842	23,558,931

The general situation in the Netherlands is, however, quite different from that in 1914. For the last nine years the Government has had to assist practically all branches of agriculture and horticulture, including dairying, cattle breeding and poultry raising, while in addition several domestic industries had to be protected by means of import restrictions. The result has been that the authorities have exercised a fairly extensive control in these various fields. Although the free operation of a great many commercial undertakings has been considerably curtailed, the necessity for this is fully realized, and the efforts of the Government to solve many difficulties are much appreciated.

The agricultural crisis machinery has been further extended, and the purchase of cereals and feeding stuffs is now entirely in the hands of the Government. The shipping companies have placed their services at the disposal of the authorities and, despite many dangers, the Netherlands merchant marine continues to operate. Re-insurance with the Government of the war risk at sea has enabled the Netherlands insurance companies to continue business.

NETHERLANDS TARIFF

Effective March 1, 1939, the Netherlands import duties on a number of commodities were increased. In an explanatory memorandum the Government stated that the export policy of foreign countries had in many cases lowered prices in Holland to such an extent that home production was no longer able to compete. The duties applicable to most commodities, which are on an ad valorem basis, were increased from a minimum rate of 3 per cent and a maximum rate of 12 per cent to a minimum of 6 per cent and a maximum of 20 per cent.

As regards imports from Canada into Holland, the items affected by this new tariff legislation include sporting goods, gloves and mitts, rubber gloves, clothing, hosiery, footwear, leather, paper, plywood, and toys.

Following the outbreak of hostilities in Europe, resulting in unfavourable trade conditions, there was a relaxation of the Netherlands import restrictions generally, and since September 29, 1939, the restrictions on the entry into this country of a substantial number of products were abolished.

EMERGENCY LEGISLATION

Owing to the uncertain political situation in Europe, it has been necessary for the Netherlands Government to institute a series of emergency measures in order to ensure an adequate supply and proper distribution of various commodities. A resumé of the legislation enacted was published in *Commercial Intelligence Journal* No. 1887 (November 11, 1939), page 885.

WHOLESALE PRICES AND COST OF LIVING

According to information supplied by the Central Bureau of Statistics, The Hague, the general index figure covering wholesale prices in the Netherlands, on the basis 1936-38 equals 100, rose from 99·8 in August, 1939, to 120·3 in December. The following table gives some details:—

	Aug.	Nov.	Dec. 27
Foodstuffs of vegetable origin.. . . .	92.9	101.5	107.3
Foodstuffs of animal origin.. . . .	101.3	124.5	120.9
Raw materials.. . . .	96.8	130.5	139.0
Finished products.. . . .	99.8	118.4	120.3

The greatest increases occurred in the following groups: metal products, woodenware, manufactured foodstuffs, paper and paper products, and chemicals; quotations for textiles also showed a fairly heavy increase.

The general index figure for cost of living went up from 98·5 in August, 1939, to 105 on December 27, 1939, on the basis 1938 equals 100. The prices of footwear and clothing have advanced considerably, those of fuel are also higher, while rents have remained at approximately the same level.

UNEMPLOYMENT

According to figures published by the Central Bureau of Statistics, the total number of unemployed registered with the various labour exchanges was 271,025 (259,989 male and 11,036 female) on December 30, 1939, as compared with 431,181 at the close of 1938. During the first eight months of the year there was a constant decrease in unemployment as a result of improving economic conditions in the Netherlands. The lowest number was reached at the end of August, when 191,308 persons were reported as being out of work.

AGRICULTURE

Agriculture is the most important branch of national industry in the Netherlands. Prior to the general economic depression which was first felt in 1930, considerable quantities of agricultural, horticultural and dairy products

were shipped to a great many markets abroad but, due to protective duties and quota and payment restrictions subsequently imposed by the principal foreign consumers, Netherlands exports of these commodities declined considerably. In 1937, however, there was a noteworthy revival in shipments abroad of a number of products, and this continued up to the end of August, 1939.

The Netherlands flower bulb industry in particular is seriously affected. Prior to the hostilities about 60 per cent of total supplies went to the United Kingdom and 10 per cent to France. Exports to these countries have now practically ceased. Efforts are being made to find additional outlets in Canada, Switzerland, Italy, the Balkans, and South Africa.

CROP CONDITIONS

On the whole the various agricultural and horticultural crops were satisfactory in 1939, and harvesting was completed under favourable conditions. The quality of the wheat was slightly below the average of the last ten years, but the yield was good. There were good crops of the following products: rye, barley, beans, peas, poppy and other seeds, potatoes, sugar and fodder beets, onions, and grass. The crops of oats, alfalfa and turnips were fair, while that of red clover was moderately good. The apple crop was generally very good, while the pear crop varied from moderate to good.

The Netherlands Government has been assisting the various branches of agriculture over a considerable period. When the war broke out it was generally believed that prices of most agricultural, horticultural and dairy products would increase, as they did in 1914, and that in many cases financial assistance by the State could be entirely or partly dispensed with. However, wartime conditions have made it difficult for the Netherlands to export the above-mentioned products. Shipments to Germany are handicapped by a lack of foreign currency in that country, and it is hard to obtain cargo space for shipments to other markets. In addition, both freight rates and war risk premiums are high, while the delay in delivery is often an unfavourable factor. For these reasons the Government has decided to continue assistance to the farmers. The monopoly tax on wheat, which is the equivalent of an import duty, remains unchanged at fl.3 per 100 kilos (\$0.48 per bushel at the current rate of exchange).

MINING

Coal is the only mineral produced in Holland, the mines being located in the province of Limburg near the German border. Despite smaller exports, 1939 was on the whole not unfavourable for the industry.

Owing to mobilization at the end of August, the total quantity of coal mined dropped from 13,487,525 tons in 1938 to 12,861,462 tons during the year under review. Due to the unfavourable political conditions in Europe, exports of coal, coke, and briquettes showed a decline from 6,259,705 tons (fl.65,950,000) in 1938 to 5,587,773 tons (fl.57,802,000) in 1939. France, Belgium and Germany were the chief purchasers, Sweden, Switzerland, Italy, Norway, and Argentina also being important consumers.

Despite the fact that fuel is being rationed in Germany and that in certain districts of the Reich there is even a shortage of coal, imports from Germany into the Netherlands have increased, as shown in the following table:—

	1938 Tons	1939 Tons
Coal.. . . .	3,421,919	3,696,100
Coke.. . . .	296,437	337,781
Coal briquettes.. . . .	293,619	315,735

FISHERIES

It is difficult to make a satisfactory comparison between conditions in the fishing industry during the year under review and in 1938. When the war broke

out at the beginning of September—the best part of the season—all Netherlands fishing vessels were called back to port. The result was that the total catch of herring in 1939 amounted to approximately 300,000 kegs as against 727,748 kegs in the preceding year. Herring dealers could, therefore, export only their surplus stocks from the 1938 catch. The Government, however, prohibited all shipments abroad, and it was not until the middle of October, when the fishing fleet went to sea again, that this prohibition was lifted. It was then ordered that 20 per cent of all stocks on hand and new arrivals were to be reserved for domestic consumption, while the balance might be exported.

Exports of salted herring declined from 69,898 metric tons (fl.5,747,000) in 1938 to 33,043 metric tons (fl.3,616,000) in 1939, and those of fresh herrings weighed only 4,525 tons as compared with 13,890 tons. The position of trawl fishing was likewise unsatisfactory. Towards the end of 1939 exports of fresh sea-fish had practically ceased.

SHIPPING AND SHIPBUILDING

During the first six months of 1939 freight rates showed fluctuations, but on the whole they were on a higher level than in the same period of 1938. Towards the second half of July there was a revival which continued until about the end of August. Due to the war it has been necessary to curtail sailings or change existing routes, while other services had to be stopped entirely. Nevertheless the financial results obtained by certain shipping companies during the year were favourable. Re-insurance with the State of the war risks at sea has enabled the Netherlands underwriters to continue business, although many difficulties had to be overcome. This re-insurance has also made it possible for ship-owners to continue operations. The premium is a heavy burden on the companies, but it is realized that under the circumstances this cannot be lowered in view of the increasing dangers at sea. At the end of 1939 the Netherlands commercial fleet consisted of 1,173 steam and motor vessels totalling 2,866,269 gross tons, as against 1,114 vessels and 2,770,082 gross tons at the close of the preceding twelve months.

The shipbuilding yards were fairly well occupied during the first eight months of the year. Since the outbreak of war the industry has been engaged mostly in the execution of orders for the Department of National Defence, so that a very important source of income, particularly repair work on foreign vessels, has been lost. Owing to the hostilities the Netherlands merchant fleet has suffered some serious losses, and new ships are now under construction. The building of new vessels involves risks for both the ship-owners and the yards. On the other hand it has the double advantage of maintaining an efficient fleet and affording employment.

AIR SERVICES

Air transport in the Netherlands is controlled by one company—the Koninklyke Luchtvaart Maatschappy (Royal Dutch Air Lines). During the first eight months of the year the results obtained by this company were favourable, and the number of passengers carried was much larger than in the corresponding period of the preceding year.

The serious effect on air traffic of the war in Europe is indicated by the total figures for 1939 as compared with those for the preceding year. During 1938 the Royal Dutch Air Lines carried 111,083 passengers; in 1939 this figure was 98,350, or approximately 11.5 per cent smaller. As regards inland traffic, a total number of 17,730 passengers was carried in 1939 as against 27,800 in 1938. However, the services were started at a later date than in the preceding year; in addition there was a shortage of personnel, due to military requirements, which resulted in less frequent services.

A total quantity of 1,722,600 kilos of merchandise was transported in 1939, a decrease of 11·2 per cent from the 1,940,500 kilos carried in 1938. During the first half of 1939 the transport of mail had increased to such an extent that the total figure for the year is larger than that for 1938, the quantities carried being 695,300 and 675,166 kilos, respectively.

In the course of the year various important extensions of services were effected. New lines were opened to Switzerland and Norway, and the connection with Stockholm was extended to Helsinki.

STOCK MARKET

During the first eight months of 1939 the stock market was very irregular as a result of the uncertain economic and political conditions. In the beginning of September prices of most shares went up considerably, mainly because war profits were anticipated. It soon became apparent, however, that the general situation was quite different from that which prevailed in 1914, and there was a sharp reaction in various sections. The following table shows the index figures of prices of certain groups of Netherlands shares at the beginning and at the end of 1939 (basis: September 29, 1936, equals 100):—

	January	December
Banks.....	103.2	73.7
Industrial enterprises.....	142.7	121.4
Oil companies.....	90.4	77.9
Rubber companies.....	104.7	105.4
Shipping companies.....	183.4	198.0
Sugar companies.....	127.8	147.6
Tobacco companies.....	86.7	67.6

STATE REVENUE

Contrary to expectations, the returns from State revenue were favourable in 1939. Direct taxes yielded fl.135,200,000 as against fl.123,300,000 in 1938, for which the higher receipts from income tax, amounting to fl.92,700,000 (fl.80,500,000 in 1938) are mainly responsible. Indirect taxes, such as import and stamp duties, turnover tax, and excise taxes on wine, beer, spirits, tobacco, etc., totalled fl.475,500,000 as compared with fl.440,100,000 during the preceding twelve months. A heavy increase was shown in the import duties collected, which during the year under review totalled fl.122,755,171—the largest ever recorded—as against fl.99,152,194 in 1938. This considerable increase is due to large imports and the increase in duties which became effective on March 1, 1939. There was a heavy increase also in the revenue derived from the turnover tax, the respective figures for the last two years being fl.88,784,281 and fl.77,127,641.

ISSUE MARKET

Bonds to a total amount of fl.444,050,000 were issued during 1939, of which fl.71,312,000 represented conversions. The respective figures for 1938 were fl.1,401,028,000 and fl.1,364,704,000. The total for 1939 is much below that for the preceding twelve months, although the amount of new money required was over ten times as great as that asked for in 1938.

DIAMOND INDUSTRY

During the first eight months of 1939 the trade in diamonds was on the whole dull. This was partly due to competition from Germany, where wages were lower. In September the market showed an upward tendency, and the price of bort rose from fl.1·50 to fl.5·20 per carat. This increase resulted from fear that supplies of rough diamonds from England would be stopped.

In October, however, a decline set in which did not stop even at the year's end. Fairly large quantities of rough diamonds were bought in London, but

the expected demand for the polished products in America did not materialize. During the previous war the position of the diamond industry was good, but present prospects are generally regarded with little optimism.

LINEN AND COTTON INDUSTRY

The position of this branch of industry was not very satisfactory during the year under review—high duties and import and payment restrictions were serious obstacles to sales abroad. In addition the sterling rate of exchange showed so many fluctuations that several Netherlands manufacturers considered it advisable to sell their production on the domestic market.

The prices obtained, however, were far from satisfactory. In the first place the productive capacity of the Netherlands cotton and linen mills is larger than the home consumption requirements and, secondly, despite duties and quota restrictions there was keen competition from Belgian and British suppliers. During the greater part of the year prices of raw cotton and linen remained fairly stable, with a slight upward tendency. Towards the end of the year there was a considerable rise.

The outbreak of the hostilities in Europe has not been of any material benefit to the industry. Although the demand for cotton and linen goods has grown considerably, it has not been possible for the mills to continue to supply their regular customers, since large orders for the army and navy must be given preference.

WOOL INDUSTRY

The wool industry was active throughout the year, particularly during the second half when large orders were received both from the military authorities and private consumers. During the last quarter there was a considerable delay in the execution of orders due to a lack of skilled workers and slow deliveries of raw materials. On the whole the financial results were not unsatisfactory. Exports of woollen blankets declined from 380 metric tons (fl.609,000) in 1938 to 155 metric tons (fl.337,000) during the year under review, due partly to export prohibitions imposed by the Netherlands Government towards the end of August. The domestic demand, however, was great enough to keep the factories busy, especially in December when it rose considerably as a result of the severe frost.

FLAX SPINNING INDUSTRY

In the beginning of 1939 the Netherlands flax spinning industry was affected by constantly increasing flax prices. In July the situation became more stable. The high quotations must be attributed to a lack of offers from Soviet Russia. As in 1938, prices quoted by French mills continued to be a serious handicap. The repeated devaluations of the French franc in the course of that year, the complete protection of the home market by prohibitive import duties, and the greater number of working hours allowed by the authorities enable France to compete to an increasing extent with the Netherlands industry.

The restrictions on the importation into Holland of linen yarns has had a fairly favourable effect on the domestic trade, but there is a complaint that this legislation is now being relaxed too much. Export possibilities remained small. High duties, import and payment restrictions in various countries, and keen competition render shipment abroad extremely difficult. The war brought about substantial increases in the prices of the raw materials, due to heavier demand and the cessation of imports from the Baltic countries and Poland. The Netherlands import restrictions on untwined flax yarns were abolished on November 11, 1939.

ARTIFICIAL SILK INDUSTRY

Employment in the artificial silk industry was satisfactory throughout the year. The volume of sales on both the domestic and foreign markets was

also favourable, although the average selling price was below the 1938 figure. During the month of September there was a serious decline in exports, but conditions improved and shipments to foreign markets increased again. Total exports of artificial silk yarns in 1939 amounted to 8,931 metric tons (fl.17,-206,000) as against 6,578 tons (fl.13,410,000) during the preceding year.

LEATHER AND SHOE INDUSTRIES

There was great activity in the leather and shoe industries in 1939, and the number of persons employed showed a continuous increase. Since the outbreak of the war the volume of orders received has increased still further, due not only to a strong demand from the army but also to heavier public buying in fear of a shortage of supplies. Since the beginning of September the prices of raw materials, the greater part of which must be imported, have become much higher, and consequently the finished product is more expensive. Towards the end of the year shoe production decreased slightly. Prospects for 1940 are hopeful, although much will depend on a regular supply of raw materials for the tanning industry.

CIGAR AND TOBACCO INDUSTRY

The position of the cigar and tobacco industry, which is an important branch of Netherlands economy, was favourable throughout the year. Sales of tobacco in 1939 totalled 11,399,000 kilos, an increase of 1,316,000 kilos or 13 per cent over those in 1938. Since 1930 the average price of cigars, cigarettes and smoking tobacco has shown a downward tendency, but this has now ceased as far as cigars and tobacco are concerned. Prices of cigarettes are still going down, which may be attributed to the increasing demand for cheaper kinds. Exports, which have been increasing since 1937 both in quantity and value, showed a decline in 1939, due to the outbreak of hostilities in September.

RADIO AND GLOW-LAMP INDUSTRIES

During the first eight months of the year the position of the radio industry showed an improvement over the corresponding period of 1938 and exports were greater, but during the last four months of the year there was a decline. Foreign shipments of loud-speakers, radio receiving sets and parts thereof totalled fl.43,095,000 in value as compared with fl.44,832,000 in 1938. Exports of glow lamps, on the other hand, were greater than during the preceding twelve months and, despite the hostilities, shipments in November were the largest during the year. Total exports were valued at fl.6,582,000 as against fl.6,333,000 in 1938.

BANKRUPTCIES

According to details supplied by the Netherlands Central Bureau of Statistics, the number of bankruptcies in this country during 1939 was 2,129, a decrease of 397, or almost 16 per cent, as compared with the year before when the figure was 2,526.

TRADE WITH CANADA

According to the official Netherlands trade returns, shipments from the Dominion to this country during the year under review totalled 138,474 metric tons valued at fl.9,271,000, which is a considerable decrease—62 per cent in weight and 59 per cent in value—from the 1938 imports of 365,810 tons valued at fl.22,657,000. Netherlands exports to Canada in 1939 weighed 32,263 metric tons, a drop of almost 62 per cent as compared with those for the preceding twelve months amounting to 84,249 metric tons. There was also a decline in the value of slightly more than 9 per cent, the respective figures for 1939 and 1938 being fl.5,911,000 and fl.6,515,000.

FOREIGN TRADE OF JAPAN IN 1939

M. T. STEWART, ASSISTANT TRADE COMMISSIONER

(The average value of the yen in 1936 and 1938 was approximately 29 cents, and in 1939 it was about 27 cents Canadian)

Tokyo, February 20, 1940.—The foreign trade of Japan proper showed a marked recovery during 1939 as against 1938 despite the fact that official control of trade was enforced throughout the period; the recovery was greater in exports than in imports, especially during the latter half of 1939. For 1939 an increase was recorded of 886,693,000 yen in exports and 254,226,000 yen in imports, resulting in a visible favourable balance of 658,704,000 yen when compared with the figures for the previous year, which showed an excess of exports over imports of only 26,237,000 yen.

Attention should be directed, however, to the fact that this large favourable balance of trade in 1939 was created chiefly by the great expansion of trade with the yen-bloc countries. Following is a table showing the total imports and exports for each year from 1936 to 1939, trade with the yen-bloc countries also being shown; the figures given are for Japan proper and include reshipped goods:—

	Total Trade			Trade with Yen-bloc Countries		
	Exports	Imports	Balance	Exports	Imports	Balance
	Figures in Million Yen					
1936	2,693	2,764	— 71	658	394	+ 264
1937	3,175	2,783	— 608	791	438	+ 353
1938	2,690	2,663	+ 27	1,166	564	+ 602
1939	3,576	2,918	+ 659	1,747	683	+ 1,064

It may be of interest to note that since 1918 the trade of Japan proper has shown a favourable balance of exports over imports in three years only, 1935, 26,837,000 yen; 1938, 26,237,000 yen; and in 1939, 658,704,000 yen.

Considering the foreign trade of the Japanese Empire (including Japan proper, Chosen, Taiwan and Nanyo), the total amounted to 7,060,386,000 yen in 1939 as against 5,733,104,000 yen in 1938, an increase of 1,327,282,000 yen; exports amounted to 3,932,926,000 yen and imports to 3,127,460,000 yen, the net result being a favourable visible balance of 805,466,000 yen. In 1938 the favourable balance of trade for the Japanese Empire amounted to 60,436,000 yen, whereas in 1937 there was an unfavourable trade balance of 635,905,000 yen. The foreign trade of Japan in 1938 and 1939 has been subjected to increasingly rigid official trade control which was first instituted on October 11, 1937. As this development was anticipated in some business circles, 1937 was the greatest importing year in the entire history of Japan's foreign trade, and since that time the rigid control of imports has been a dominating factor in achieving a favourable trade balance.

The expansion of trade with the yen-bloc countries (Manchukuo, Kwantung Leased Territory, and China) during the past two years has been a most significant development and, in order to improve the balance of payments as well as to secure necessary war materials, restrictions have been placed on the export of several groups of commodities to the yen-bloc countries, and earnest efforts have been made to increase exports to countries outside the yen bloc from which foreign exchange could be derived. Increased trade with the yen-bloc countries does not add in any direct way to the foreign exchange reserves which are so urgently required by Japan.

DISTRIBUTION OF TRADE

Asiatic countries continued to be the most important markets for the export products of Japan; the value of shipments to these countries during 1939 totalled 2,320,265,000 yen compared with 1,664,725,000 yen in 1938.

Total shipments to North America were valued at 658,730,000 yen as against 440,404,000 yen in 1938, the United States and Canada taking practically the entire amount, as shipments to other North American countries are unimportant. Exports to Europe were valued at 238,256,000 yen as against 261,037,000 yen in 1938. Purchases by African countries amounted to 152,909,000 yen as compared with 137,336,000 yen in the previous year.

The value of shipments to Oceania totalled 95,443,000 yen in 1939 as against 96,610,000 yen in 1938, Australia and New Zealand being the principal markets. Exports to South America during 1939 were valued at 67,111,000 yen and 60,151,000 yen in 1938. Central American countries purchased to a value of 43,657,000 yen as against 29,415,000 yen in 1938.

With respect to imports, Asiatic countries in 1939 contributed manufactured products and raw materials with a total value of 1,181,001,000 yen as compared with 1,023,585,000 yen in the previous year. Purchases from North America were valued at 1,128,415,000 yen as against 1,006,565,000 yen in 1938. Imports from European countries totalled in value 309,935,000 yen as compared to 376,269,000 yen in 1938. Imports from South America were valued at 115,730,000 yen in 1939 and 91,235,000 yen in 1938. Oceania (principally Australia and New Zealand) was credited with 86,317,000 yen as compared with 97,850,000 yen in 1938. Purchases from African countries amounted to 92,788,000 yen as against 60,621,000 yen in 1938, and imports from Central American countries were valued at 3,481,000 yen as compared with 7,314,000 yen in 1938.

DISLOCATION OF TRADE

The outbreak of the war in Europe fundamentally altered the trading position of Japan, the movement of both imports and exports being disturbed to a considerable degree. For the duration of the hostilities in Europe Japan must look to North America for equipment and supplies which were formerly imported to a large extent from Germany, and her position as an important world consumer of essential raw materials has been made increasingly difficult. Prior to the outbreak of war in Europe, Japan was applying rigid import control even with respect to essential raw materials, and permits for the importation of such goods, apart from definitely set limits, were exceedingly difficult if not impossible to obtain. Now, with expanding and attractive markets available to Japan and with insufficient stocks of raw materials in the country, supplies from abroad are being eagerly sought, but frequently Japan's requirements cannot be met owing to the urgent local demand for such materials in the usual countries of supply for the purpose of developing their defences and armaments.

EXPORTS TO PRINCIPAL BUYING COUNTRIES

Following is a list of twenty countries, constituting Japan's leading export markets, in which Canada cannot qualify for inclusion, and they are shown in order of value of exports thereto in 1,000 yen for the year 1939, with comparative figures for 1938 together with the percentage increase or decrease in their purchases:—

	1939	1938	Inc. or Dec.
	Figures in 1,000 Yen		Per Cent
Kwantung Province	(1) 755,943	(1) 536,317	+ 40.7
United States	(2) 641,509	(2) 425,123	+ 50.8
Manchukuo	(3) 535,681	(3) 316,323	+ 69.3
China	(4) 455,479	(4) 312,900	+ 45.5
British India	(5) 210,995	(5) 188,040	+ 10.9
Dutch India	(6) 137,802	(7) 104,045	+ 22.6
Great Britain	(7) 132,085	(6) 134,988	- 2.1
Australia	(8) 72,101	(8) 69,388	+ 3.9
Union of South Africa	(9) 46,802	(11) 35,291	+ 32.6
Hongkong	(10) 30,578	(19) 16,754	+ 82.5
Thailand (Siam)	(11) 26,024	(9) 39,269	- 33.7
France	(12) 25,934	(10) 36,814	- 29.5

	1939 Figures in 1,000 Yen	1938 Yen	Inc. or Dec. Per Cent
Germany	(13) 24,991	(12) 33,015	— 24.3
Philippine Islands	(14) 24,744	(13) 32,599	— 24.1
Iraq	(15) 24,344	(18) 17,082	+ 42.5
Kenya, Uganda and Tanganyika . .	(16) 22,874	(14) 22,504	+ 1.6
Burma	(17) 21,555	(20) 16,302	+ 32.2
French Morocco	(18) 20,593	(17) 18,727	+ 9.6
Straits Settlements	(19) 20,426	(15) 20,696	— 1.3
Iran	(20) 19,324	(43) 4,632	+317.1

EXPORTS BY COMMODITIES

The export trade of Japan during 1939 increased in practically all commodity groups as compared with 1938. Japan's largest export items continue to be respectively: raw silk, cotton tissues, machinery and parts, artificial silk tissues, and canned foodstuffs. Prior to 1933 raw silk continuously occupied first position among Japan's export items, but from 1933 until 1939 cotton tissues supplanted raw silk as the leading export item. However, in 1939, owing to unusually high prices, exports of raw silk made a strong recovery and again resumed the leading position among Japan's export items. Exports of raw silk amounted to 386,000 bales (506,845,000 yen) in 1939 as against 477,000 bales (364,124,000 yen) in 1938. The United States continued to be by far the largest purchaser of raw silk from Japan, taking 332,000 bales (437,611,000 yen) as compared with 393,000 bales (297,882,000 yen) in 1938. Other leading purchasers of raw silk were Great Britain, 36,920,000 yen (1938, 26,175,000 yen); France, 16,180,000 yen (24,631,000 yen); and Australia, 9,381,000 yen (6,461,000 yen).

Canada's direct purchases of raw silk were not separately recorded in 1939 (1938, 278,399 yen), but attention is again directed to the fact that Canada purchased the bulk of her requirements of raw silk from Japan through New York, and therefore the recorded totals of direct shipments to Canada constitute only a small percentage of the Dominion's total consumption of Japanese raw silk in any year.

Cotton Tissues.—Exports of cotton tissues in 1939 amounted to 2,445,537,000 square yards (403,946,000 yen) as against 2,180,810,000 square yards (404,240,000 yen) in 1938. The total exports of cotton tissues are divided into the following classifications: "gray," 852,806,000 square yards (110,860,000 yen); "bleached," 516,265,000 square yards (79,506,000 yen); and "other," 1,076,466,000 square yards (213,580,000 yen).

British India is the leading market for "gray" cotton tissues from Japan, being credited with purchases of 31,632,000 yen in 1939 as compared with 32,916,000 yen in 1938, followed by the Dutch East Indies, 11,124,000 yen (9,077,000 yen); Australia, 7,443,000 yen (6,810,000 yen); Chile, 5,863,000 yen (2,052,000 yen); Aden, 5,608,000 yen (4,451,000 yen); Kenya, Uganda and Tanganyika, 5,207,000 yen (5,748,000 yen); Kwantung Province, 3,512,000 yen (4,355,000 yen); China proper, 966,000 yen (9,059,000 yen); and Manchukuo, 835,000 yen (13,952,000 yen).

"Bleached" cotton tissues were exported to the leading markets as follows: French Morocco, 9,528,000 yen (10,232,000 yen); United States, 8,764,000 yen (2,000,000 yen); Dutch East Indies, 8,576,000 yen (11,936,000 yen); British India, 8,121,000 yen (11,957,000 yen in 1938); Thailand (Siam), 5,227,000 yen (5,174,000 yen); Iran, 4,307,000 yen (783,000 yen); Australia, 2,829,000 yen (2,776,000 yen); China proper, 1,255,000 yen (9,110,000 yen); and Manchukuo, 329,000 yen (5,361,000 yen).

Cotton tissues classified as "other" were exported principally to the Dutch East Indies, 33,456,000 yen (18,472,000 yen); British India, 22,611,000 yen (23,005,000 yen); Iran, 13,251,000 yen (3,376,000 yen); Kenya, Uganda and Tanganyika, 10,167,000 yen (8,859,000 yen); Iraq, 9,302,000 yen (5,206,000

yen); China proper, 8,687,000 yen (5,742,000 yen); Union of South Africa, 8,432,000 yen (5,546,000 yen); Syria, 7,221,000 yen (4,756,000 yen); Thailand (Siam), 7,100,000 yen (7,803,000 yen); Hongkong, 5,917,000 yen (1,865,000 yen); Burma, 5,469,000 yen (5,406,000 yen); Manchukuo, 3,384,000 yen (18,696,000 yen); Argentina, 2,009,000 yen (9,858,000 yen); and Kwantung Province, 1,033,000 yen (9,853,000 yen).

Machinery and Parts.—This is Japan's third largest export item, the value in 1939 of the total exports amounting to 209,206,000 yen as against 156,475,000 yen in 1938, an increase of 33·6 per cent. However, practically the entire exports of machinery and parts were absorbed by Kwantung Province, 101,015,000 yen in 1939 (75,807,000 yen); Manchukuo, 63,896,000 yen (30,384,000 yen); and China proper, 36,982,000 yen (35,925,000 yen), all yen-bloc countries from which no foreign exchange is directly derived.

Artificial Silk.—Artificial silk or rayon tissues were exported during 1939 to the extent of 309,971,000 square yards valued at 137,358,000 yen (337,122,000 square yards worth 115,762,000 yen in 1938), an increase of 18·6 per cent. The leading buyers of artificial silk were: Kwantung Province, 25,304,000 yen in 1939 (20,243,000 yen); Manchukuo, 22,954,000 yen (17,029,000 yen); British India, 19,581,000 yen (11,627,000 yen); Australia, 18,375,000 yen (17,303,000 yen); and Dutch East Indies, 9,411,000 yen (7,202,000 yen).

Comestibles in Tin or Bottle.—The fifth principal export item of Japan is canned foodstuffs, the value of exports in 1939 being 132,009,000 yen as against 92,819,000 yen in 1938, an increase of 42·2 per cent. The largest purchasers were: Great Britain, 40,991,000 yen (40,832,000 yen); United States, 31,991,000 yen (12,212,000 yen); Kwantung Province, 14,962,000 yen (7,228,000 yen); China proper, 11,755,000 yen (9,865,000 yen); and Manchukuo, 10,880,000 yen (2,480,000 yen).

OTHER EXPORT ITEMS EXCEEDING 20,000,000 YEN

The following other export products, the total value of each item exceeding 20,000,000 yen, were exported from Japan during 1939:—

Wood totalling 128,647,000 yen (46,887,000 yen in 1938) was sent chiefly to Kwantung Province, China, Manchukuo, Great Britain, and British India, but this item is largely made up of re-exports of timber from the Philippine Islands as well as timber imported from the Pacific Coast and later re-exported. Paper worth 77,946,000 yen (52,127,000 yen) was chiefly exported to Kwantung Province, China proper and Manchukuo. Iron manufactures valued at 76,253,000 yen (52,231,000 yen) were shipped chiefly to Manchukuo, Kwantung Province, China, Dutch East Indies, and British India. Cotton yarns totalling 71,090,000 yen (39,355,000 yen) were shipped mainly to British India, Dutch East Indies, Manchukuo, Hongkong, and Kwantung Province. Aquatic products amounting to 61,935,000 yen (21,931,000 yen), were sent chiefly to Kwantung Province, China, the United States, and Manchukuo. Wheat flour totalling 54,228,000 yen (60,715,000 yen) was sent chiefly to Kwantung Province, Manchukuo and China. Woollen tissues valued at 51,821,000 yen (46,845,000 yen) were sent chiefly to Manchukuo, Kwantung Province, China, and British India. Pottery products totalling 48,624,000 yen (40,477,000 yen) were shipped chiefly to Manchukuo, Kwantung Province, China, British India, Dutch East Indies, United States, Australia, Union of South Africa, and Canada. Silk tissues valued at 47,397,000 yen (49,352,000 yen) were shipped principally to Great Britain, United States, Manchukuo, British India, Kwantung Province, France and China. Knitted goods valued at 40,237,000 yen (40,818,000 yen) were shipped chiefly to Dutch East Indies, Philippine Islands, Manchukuo, Union of South Africa, Great Britain, United States, Kwantung Province, and British India. Artificial silk valued at 29,348,000 yen (17,888,000 yen) was sent chiefly to British India, China, Mexico, and Australia. Sugar, refined, amounting to 28,677,000 yen (23,654,000 yen) was shipped mainly to China, Kwantung Province, and Manchukuo. Glass and glass manufactures valued at 27,055,000 yen (25,886,000 yen) were sent chiefly to British India, China, Manchukuo, Dutch East Indies, United States, and Kwantung Province. Tea totalling in value 23,463,000 yen (12,063,000 yen) was exported principally to the United States, Kwantung Province, and Canada. Toys valued at 22,020,000 yen (24,991,000 yen) were sent chiefly to the United States, Great Britain, British India, and Australia.

IMPORTS BY PRINCIPAL COUNTRIES

Following is a list showing twenty of Japan's leading suppliers by countries during 1939 in order of value of products supplied, together with the percentage increase or decrease as compared with values for 1938:—

	1939 Figures in 1,000 Yen	1938	Inc. or Dec. Per Cent
United States.. . . .	(1) 1,002,384	(1) 915,300	+ 9.5
Manchukuo	(2) 405,560	(2) 339,271	+ 19.5
China	(3) 215,662	(5) 164,612	+ 31.0
British India	(4) 182,263	(3) 172,231	+ 5.8
Germany	(5) 141,003	(4) 171,170	- 1.7
Canada	(6) 126,022	(6) 91,260	+ 38.0
Brazil.. . . .	(7) 74,662	(13) 46,174	+ 61.7
Dutch India	(8) 71,629	(7) 88,249	- 19.1
Australia	(9) 71,026	(8) 82,875	- 14.3
British Malaya	(10) 69,006	(12) 46,801	+ 47.4
Kwantung Province	(11) 61,750	(10) 60,323	+ 23.6
Egypt	(12) 50,312	(14) 36,315	+ 38.5
Philippine Islands	(13) 49,117	(15) 35,630	+ 37.8
Straits Settlements	(14) 46,833	(11) 54,167	- 13.5
French Indo-China	(15) 26,651	(19) 20,301	+ 31.2
Sweden	(16) 26,277	(18) 24,069	+ 9.1
Great Britain	(17) 24,426	(9) 63,157	- 61.3
Norway	(18) 21,869	(20) 15,719	+ 39.3
Kenya, Uganda and Tanganyika..	(19) 19,699	(29) 6,020	+227.2
Belgo-Luxemburg Economic Union	(20) 19,028	(21) 15,441	+ 23.2

IMPORTS BY COMMODITIES

ORES AND METALS

Ores and metals, formerly Japan's leading import item, are not separately classified in the official statistics but undoubtedly form an important part of Japan's total imports. Since August, 1937, the trade statistics of Japan have not separately classified imports of lead, zinc, copper, tin, nickel, aluminium, iron and steel, etc., but only under the general heading of "ores and metals." The total value of imports under this heading in 1939 was 848,500,000 yen as against 661,895,000 yen in 1938, an increase of 28.2 per cent.

RAW COTTON

Imports of raw cotton were valued at 462,007,000 yen as against 436,835,000 yen in 1938, an increase of 5.7 per cent. It may be noted, however, that the imports in 1938 were abnormally low, due to the fact that the large stocks which were imported prior to the inception of exchange and trade control were being used. During 1937 raw cotton imports amounted to 851,163,000 yen. After the inception of trade control, imports of raw cotton were limited to the quantities necessary for manufacture for export, and little provision was made for domestic consumption. The largest suppliers of raw cotton to Japan in 1939 were: United States, 146,640,000 yen (166,414,000 yen in 1938); British India, 120,997,000 yen (113,331,000 yen); China, 46,809,000 yen (71,790,000 yen); and Egypt, 37,093,000 yen (27,529,000 yen).

MINERAL OIL

In common with ores and metals this is another highly important item, which is largely comprised of gasoline, fuel oil, and motor oils and is not now separately classified in the trade statistics of Japan but is included under "other oils, fats, waxes, and manufactures thereof," imports of which were valued at 255,536,000 yen in 1939 as against 320,114,000 yen in 1938, a decrease of 20.1 per cent.

MACHINERY AND PARTS

Imports of machinery and parts are not separately classified to show the nature of certain important items, and under the heading "other," imports in

1939 amounted to 255,132,000 yen as compared with 273,710,000 yen in 1938, a decrease of 6·7 per cent. The total imports shown under the heading "clocks, watches, scientific instruments, firearms, vehicles, vessels and machinery," were valued at 288,212,000 yen as against 313,362,000 yen in 1938, a decrease of 8 per cent. Thus the importance of the comprehensive classification "other" is obvious.

SHEEP'S WOOL

Imports of sheep's wool were valued at 72,590,000 yen as against 94,426,000 yen, a decrease of 30·2 per cent. These imports came chiefly from Australia, to a value of 51,428,000 yen in 1939 (64,882,000 yen in 1938); China, 11,163,000 yen (3,327,000 yen); New Zealand, 4,351,000 yen (8,272,000 yen); and Manchukuo, 1,639,000 yen (2,478,000 yen).

OTHER IMPORTS

Other imported products of importance included beans and peas, 123,576,000 yen in 1939 (102,176,000 yen in 1938); oil cake, 104,639,000 yen (60,112,000 yen); coal 78,364,000 yen (67,217,000 yen); India-rubber and gutta-percha, crude, 57,490,000 yen (51,374,000 yen); pulp, 56,537,000 yen (42,132,000 yen); other vegetable fibre, 38,266,000 yen (27,306,000 yen); wood, 32,326,000 yen (28,178,000 yen); oil yielding materials, 31,982,000 yen (28,790,000 yen); hides and skins, 30,573,000 yen (27,826,000 yen); phosphorite, 25,412,000 yen (19,281,000 yen); sulphate of ammonia, crude, 8,240,000 yen (31,710,000 yen); wheat bran 8,412,000 yen (8,932,000 yen); rice and paddy, 6,286,000 yen (2,808,000 yen); fresh beef, 4,162,000 yen (4,414,000 yen); and wheat, 4,090,000 yen (9,557,000 yen).

TRADE OF JAPAN WITH CANADA

The total trade of Japan with Canada in 1939 was valued at 143,223,000 yen as compared with 106,504,000 yen in 1938, an increase of 34·4 per cent (total trade for 1937, 124,727,000 yen). For the years 1937, 1938 and 1939 high figures were recorded for the total trade of Japan with Canada, those for 1937 being the highest up to that time. Canada is very favourably situated to supply essential materials for Japan's industrial requirements, and even under a regime of strict exchange and import control such materials are urgently required.

Exports from Japan to Canada were valued at 17,202,000 yen in 1939 as compared with 15,244,000 yen for 1938, an increase of 12·8 per cent. A considerable percentage of the recorded increase in the export totals is accounted for by the rising production costs in Japan and consequently higher quotations on export products.

Imports from Canada totalled 126,022,000 yen in 1939 as against 91,260,000 yen in the preceding year, an increase of 38·1 per cent. Thus the balance of exports as against imports was unfavourable to Japan to the extent of 108,820,000 yen as against an excess of imports in 1938 of 76,016,000 yen, which represented an increase in Japan's unfavourable trade balance with Canada of 43·1 per cent. The unfavourable balance in 1937 amounted to 84,656,000 yen.

EXPORTS TO CANADA

Japan's leading export item to Canada is raw silk, but owing to the nature of the silk trade, this product of Japan is imported into Canada from the United States and is, therefore, not shown in the Japanese statistics as an export item to Canada. In the 1939 official statistics no direct shipments from Japan to Canada of raw silk are recorded.

However, the annual returns of the Dominion Bureau of Statistics show that Canada's imports of "silk cocoons, raw silk, not more advanced than

singles, not to include material wholly or partially degummed," for the calendar years 1938 and 1939 were as follows:—

Calendar Year 1938	According to Countries of Consignment		According to Countries of Origin	
	Lbs.	\$	Lbs.	\$
Total imports	2,507,683	4,305,859	2,507,683	4,305,859
Japan	40,495	83,305	2,460,001	4,229,837
United States	2,458,724	4,208,476	.....	.....
Calendar Year 1939				
Total imports	2,304,618	6,340,725	2,304,618	6,340,725
Japan	2,334	4,421	2,221,407	6,159,888
United States	2,296,346	6,325,214	.....	.....

The following is a comparative schedule showing in order of importance the twelve principal items exported from Japan to Canada (silk excepted):—

	1939	1938	Inc. or Dec.
	Figures in 1,000 Yen	Yen	Per Cent
Tea	1,375	641	+114.6
Potteries	1,230	1,239	— 7.4
Toys	897	1,262	— 21.0
Artificial silk tissues	807	911	— 11.4
Rice and paddy	617	736	— 16.1
Lamps and parts thereof	390	383	+ 1.7
Silk tissues	188	174	+ 7.9
Buttons	189	133	+ 42.2
Silk handkerchiefs	143	101	+ 41.6
Menthol crystals	105	65	+ 60.5
Brushes	96	135	— 28.7
Beans and peas	44	34	+ 30.6

IMPORTS FROM CANADA

Base metals, notably lead, aluminium, zinc, and nickel constitute the principal items imported by Japan from Canada, but figures for these metals are no longer recorded in the official trade statistics of Japan and, in view of the unsatisfactory classification provided by the trade statistics, it is considered that the best available data of Canadian exports to Japan are obtainable from the annual returns of the Dominion Bureau of Statistics showing the total exports from Canada to Japan, figures for the more important items being as follows:—

Exports from Canada to Japan

	Fiscal Years ending March 31		
	1937	1938	1939
Total exports	\$21,629,690	\$26,639,885	\$21,051,190
Aluminium in blocks, etc.	1,930,384	4,764,013	6,491,662
Aluminium, scrap	16,989	11,486	14,472
Asbestos	879,007	1,356,618	1,446,628
Asbestos sand and waste	5,762	25,283	2,326
Beef, fresh, chilled or frozen	52,466	36,776	.....
Brass, scrap, dross and ashes	52,393	9,823	1,320
Cheese	19,186	14,777	144
Copper, fine, contained in ore, matte, regulus . . . . .	.....	1,272,689	2,071,732
Copper, old and scrap	115,357	27,784	20,225
Copper in ingots, bars, cakes, slabs and billets	51,890	.....	61,869
Felt, manufactures of	41,730	37,217	5,674
Fox skins, black and silver, undressed	7,235	.....	.....
Gold, raw . . . . .	.....	151,847	328,413
Herrings, sea, dry salted	244,288	207,600	95,061
Hides and skins, calf	67,558	90,809	25,571
Hides and skins, cattle	130,327	156,908	192,551
Lead, in pigs, refined lead, etc.	3,976,269	2,864,947	1,555,163
Logs—			
Cedar	31,603	10,397	.....
Douglas fir	492,693	212,864	14,706
Hardwood	15,260	12,374	1,506
Hemlock	190,702	59,013	206,081
Pine	11,616	469	716
Spruce	16,592	18,827	9,988
All others, n.o.p.f.	24,831	628	100,453

Exports from Canada to Japan—Concluded

	Fiscal Years ending March 31		
	1937	1938	1939
Macaroni, spaghetti and vermicelli	13,200	11,392	3,825
Medicinal and proprietary preparations . . .	12,152	11,636	5,141
Metal working machinery . . . . .	.....	15,150	.....
Metallic scrap, dross and ashes, n.o.p.	26,437	44,162	26,998
Mica splittings . . . . .	.....	11,447	27,875
Milk, powdered	22,658	11,326	86
Nickel, in matte or specie	43,490	10,962	540
Nickel, fine	2,006,503	5,428,165	5,577,127
Paper, newsprint	2,047,715	1,303,069	21,891
Paper, wrapping, kraft	344,152	305,281	26,206
Planks and boards, Douglas fir	144,498	54,774	1,776
Planks and boards, spruce	90,505	27,590	34,473
Salmon, dry salted (chum)	349,454	291,663	191,287
Scrap iron and steel	673,530	643,317	626,354
Senega root	10,131	12,314	18,215
Silver in ore, concentrates, etc. . . . .	.....	50,863	99,137
Timber squares, Douglas fir	434,118	356,477	100,392
Wheat	3,093,181	1,131,673	.....
Wheat flour	1,101,761	221,774	467
Whisky	10,764	7,074	762
Wood-pulp—			
Screenings	21,550	10,670	.....
Sulphate (kraft)	20,277	153,215	38,986
Sulphite, bleached	292,352	2,549,170	517,921
Sulphite, unbleached	947,924	919,281	.....
Wool—			
In the grease	11,018	234	.....
Pulled or slipped	23,163	.....	.....
Zinc—			
Contained in ore	3,213	39,980	38,866
Scrap, dross and ashes	32,897	37,854	895
Spelter	1,055,583	1,216,354	912,934

The rigid control of imports exercised by the Japanese Government throughout 1938 and 1939 resulted in a severe curtailment of the imports of certain important items from Canada. The 1939 figures of exports from Canada to Japan compiled by the Dominion Bureau of Statistics reflect the results of the operation of the exchange and import control, and the figures for the fiscal year ending March 31, 1940, if available, would be even more decisive. However, many of the items that have been severely affected would immediately regain prominence as imports if funds to finance their importation could be made available, and any general improvement in the financial situation in Japan would considerably enhance the opportunities for Canadian exports.

EXPORTS FROM CANADA TO NEUTRAL COUNTRIES

With reference to the article under the above heading in *Commercial Intelligence Journal* No. 1887 (March 30, 1940), page 497, it is now prohibited to export any goods from Canada, except under permit issued by or on behalf of the Minister of National Revenue, to the following additional neutral countries: Albania, Iceland, Portugal and Turkey.

The addition of these countries brings to twenty-four the number of neutral countries to which goods may not be exported without permit.

IMPORTS INTO THE UNITED STATES OF PRODUCTS UNDER THE QUOTA PROVISIONS OF THE TRADE AGREEMENT

The following table, prepared by the Canadian Trade Commissioner's office at New York from preliminary figures issued by the Treasury Department at Washington, D.C., shows the standings of the quotas provided for under the Canada-United States Trade Agreement (signed November 17, 1938) up to March 30, 1940:—

	Total Quota	Reduction in Duty from the 1930 Tariff Act	Used by Canada to March 30, 1940 Quantity Per cent
Cattle (700 lbs. or more) .. Head	225,000	3 to 1½c. per lb.	19,705 8.7
Cattle (less than 200 lbs.) .. Head	100,000	2½ to 1½c. per lb.	22,741 22.7
Whole milk Gals.	3,000,000	6½ to 3¼c. per gal.	1,653
Cream Gals.	1,500,000	56¼ to 28¼oc. per gal.	150
Filletted fish, fresh or frozen—cod, haddock, hake, pollock, cusk, and rosefish Lbs.	15,000,000	2½ to 1¼c. per lb.	1,762,853 11.1
Seed potatoes Bus.	1,500,000 beginning Sept. 15, 1939	75 to 37½c. (60c. Dec. 1-23) per 100 lbs.	1,027,131 68.4
White or Irish potatoes, other than seed potatoes Bus.	1,000,000 beginning Sept. 15, 1939	75 to 60c. per 100 lbs. Dec. 1 to end of Feb.; 37½c. Mar. 1 to Nov. 30	244,850 24.4
Silver or black fox furs .. . Units	100,000 beginning Dec. 1, 1939	50 to 35 per cent ad val.	58,300 Quota filled Mar. 5, 1940

It is to be noted that, although Canada has only used up 8.7 per cent of the total yearly quota allotment of 225,000 head of cattle weighing 700 pounds or more, other than dairy cows, these imports amounted to 38.1 per cent of the quarterly quota of 51,720 head allotted to Canada. On the other hand the quarterly quota allotment of 8,280 head from other countries has been filled since January 6, 1940, and receipts over and above this amount have been subject to the full tariff rate.

BRITISH TRADE COMMISSIONERS IN CANADA

Canadian importers and others desirous of obtaining information regarding the export trade of the United Kingdom and Canadian firms desirous of representing British manufacturers in Canada are invited to communicate with the undermentioned:—

The Senior British Trade Commissioner in Canada and Newfoundland, 56 Sparks St., Ottawa. Telegraphic address: "Sencom."

The British Trade Commissioner (for Quebec, the Maritime Provinces and Newfoundland). 1111 Beaver Hall Hill, Montreal, Que. Telegraphic address: "Britcom."

The British Trade Commissioner (for Ontario), 67 Yonge Street, Toronto, Ont. Telegraphic address: "Toroncom."

The British Trade Commissioner (for Alberta and British Columbia). 850 West Hastings Street, Vancouver, B.C. Telegraphic address: "Vancam."

The British Trade Commissioner (for Manitoba, Saskatchewan and Northwest Ontario), 703 Royal Bank Building, Winnipeg, Man. Telegraphic address: "Wincom."

AUSTRALIAN WHEAT AND FLOUR

Mr. Frederick Palmer, Canadian Trade Commissioner at Melbourne, cabled on April 16, with respect to the wheat and flour situation in Australia, as follows:—

In the 1939-40 season to date 195,500,000 bushels have been delivered to the Australian Wheat Board which has sold, but not fully delivered, 95,669,000 bushels. Allowing for domestic requirements, approximately 72,500,000 bushels remain unappropriated. Export flour sales should absorb 17,250,000 bushels, leaving 55,250,000 bushels to be sold for export. The carryover of 18,000,000 bushels from the 1938-39 crop has also been sold. The volume of shipping is reported to have considerably increased recently, facilitating the removal of stocks, although the coal strike may cause stocks at terminal ports to decline. In sympathy with oversea movements, the current price for wheat to retailers for truck lots has been raised by the Australian Wheat Board to 4s. 4½d. (approximately 77 cents Canadian) per bushel. Mills are now working part time, but negotiations are proceeding for the sale of a large quantity of flour to the Far East. Export quotations for flour are approximately £9 12s. 6d. (equivalent to \$33.87 Canadian) per ton in 49-pound calico bags and £9 5s. (equivalent to \$32.55 Canadian) per ton in 150-pound sacks.

TARIFF CHANGES AND TRADE REGULATIONS

United Kingdom

EXTENSION OF IMPORT LICENCE REQUIREMENTS

Mr. Frederic Hudd, Chief Canadian Trade Commissioner in the United Kingdom, cables that a new Board of Trade Order adds to the list of goods subject to import licence in that country the following: natural or artificial magnesium carbonates, hydroxides and oxides, and dolomite and mixtures wholly or mainly thereof, with or without water; chromium ores and concentrates whether briquetted or not. Shipments of the foregoing dispatched before April 17 will not require licences. The object of these restrictions, the cablegram states, is to assist Ministry of Supply control.

Another group of commodities subjected to import licence, comprises: practically all forms of products manufactured from copper, lead and zinc, and alloys thereof containing more than 50 per cent by weight of these metals; sulphur and mixtures containing more than 80 per cent by weight of elemental sulphur; pyrites, all kinds; compounded medicinal preparations suitable for use in the treatment of human or animal ailments; antitoxins, vaccines, etc. The cablegram states that goods in this group dispatched before May 15 will not require licence.

CERTAIN IRON AND STEEL PRODUCTS ADDED TO FREE LIST

Under the Import Duties (Exemptions) (No. 1) Order, 1940, of the United Kingdom, effective March 18, the following iron and steel products have been added to the free list of the United Kingdom tariff:—

Railway and tramway construction material of the following descriptions: sleepers, tie rods, tie bars, fish plates, sole plates and continuous joint plates.

Bolts, whether threaded or not, bolt ends, set screws and screw studs, and other screws for metal, and nuts, whether tapped or not (including washers assembled with any of those articles).

Coach screws.

Rivets (other than bifurcated rivets manufactured from wire and tubular rivets with open ends) and washers.

Wire netting, wire fencing and wire mesh, of all kinds (including woven wire).

Nails (including hobnails and boot and shoe studs and spikes), tacks and staples (other than insulated staples).

Jack chain (including mattress chain) and mattress hooks.

Parts of railway and tramway rolling stock, being products of iron or steel of the following descriptions: wheels, tires, axles and buffers.

Prior to March 18 the foregoing were duty free when shown to be British Empire products within the meaning of the Imperial preference regulations. The effect of the new order is to remove the duties applicable to non-Empire products of these classes, making the goods duty free regardless of the country of origin.

The need for certificates of origin, and establishment of Empire content, no longer exists in the case of Empire products of the above-mentioned descriptions.

Australia

MOTOR VEHICLE CHASSIS IMPORT RESTRICTIONS

A cablegram from L. M. Cosgrave, Canadian Trade Commissioner in Sydney, Australia, outlines new control over importations of motor vehicles to be effective in Australia during the year beginning May 1, 1940.

Control of motor vehicle chassis importations into Australia was established on May 22, 1936. Imports of chassis from all countries except the United Kingdom were from that date to be limited to quotas based on importations during the year ended April 30, 1936.

An import licensing system adopted on December 1, 1939, further regulated such imports from non-sterling countries, including Canada, by restricting imports of unassembled chassis to the amounts imported during the year ended June 30, 1939, and by placing assembled chassis in a category for which no licences are issued.

The cablegram now received from the Trade Commissioner states that during the year beginning May 1, 1940, as regards passenger car chassis each importer will be allowed to import 75 units, but the further number will be reduced 40 per cent from his imports during the base year (ended April 30, 1936).

Importations of truck chassis will be reduced 12½ per cent from importations in the same base year.

Truck chassis may be substituted for car chassis but not vice versa.

If no chassis were imported by an importer during the year ended April 30, 1940, his quota lapses.

Orders for defence purposes are excepted from these restrictions.

Further restrictions are possible prior to April 30, 1941.

Importations from non-sterling countries are concurrently subject to the above-mentioned licensing restrictions established December 1, 1939. For the 3-months licensing period, April-June, 1940, licences are not to be issued in excess of the value of unassembled car and truck chassis imported by the same importer from non-sterling countries during the year ended June 30, 1939, while assembled chassis are in licensing category D, for which no licences are to be issued.

TIMBER LICENSING FOR FOUR MONTHS, APRIL-JULY

Mr. L. M. Cosgrave, Canadian Trade Commissioner in Sydney, cabled on April 12 that the second import licensing period as regards timber would be from April 1 to July 31, 1940. Licences are issuable for this period up to one-third of the value of the same goods imported by the same importer from non-sterling countries during the year ended June 30, 1939. Unused portions of licences may be carried forward from one period to the subsequent period.

The foregoing applies to timber and lumber in general, but the following descriptions of lumber are in category D for which, it has been announced, no import licences will be issued: Engravers' boxwood and maplewood; plywood of all descriptions; laths, palings, pickets, shingles, mouldings (including picture frame), doors, cask and vat shooks, lasts, broom stocks, brush-makers' woodenware, and woodenware for vehicles.

ALL IMPORTS BY MAIL NOW UNDER LICENCE

Cabled information from the Canadian Trade Commissioner in Sydney is that all goods imported from non-sterling countries by mail are now subject to import licensing restrictions. Goods that were mailed before April 13 will be admitted under licence and the amount deducted from the importer's future quotas.

Heretofore the regulations have provided that goods imported through the post office, on which the duty payable did not exceed £5, and which were not of a kind listed in category D (no licence), were excepted from the general licence requirements. The Minister of Customs was empowered to determine that any such goods should be subjected to ordinary licensing regulations.

RELAXATIONS IN IMPORT REGULATIONS

With reference to the report in *Commercial Intelligence Journal* No. 1879 (February 3, 1940), page 193, dealing with minor relaxations in import restrictions in Australia, Mr. R. P. Bower, Assistant Trade Commissioner at Sydney, writes under date February 20, 1940, that the policy of adjusting the regulations to conform with the requirements of the trade has since been extended. The following items are affected:—

(1) *Fish Oils*.—A memorandum dated January 31 allows licences to be issued for unrefined fish oils and refined cod liver oil, not compounded, in vessels exceeding one gallon, on the following basis:—

- (a) Importations from the United Kingdom by individual importers may be included with importations from non-sterling countries for the purpose of establishing base period importations.
- (b) Licences may be issued for a value not exceeding 100 per cent of the total "base year" importations from the United Kingdom and non-sterling countries.

(2) *Timber*.—Memoranda dated February 1 and February 19, 1940, relate to the following:—

Tariff item

291.—Timber—

- (A) Engravers' boxwood and engravers' maplewood.
- (B) Hickory, undressed.
- (C) Logs, not sawn, viz.: (1) for use in the manufacture of plywood and veneers, as prescribed by departmental by-laws; (2) other: (a) Douglas fir, hemlock, larch, spruce and white fir, and (b) N.E.I.

- (D) Spars in the rough: (1) Douglas fir, hemlock, larch, spruce and white fir; (2) other.
 - (E) New Zealand white pine, undressed, n.e.i., for use in the manufacture of butter boxes, as prescribed by departmental by-laws.
 - (F) Timber, undressed, n.e.i., viz., redwood and Western red cedar.
 - (G) Timber, undressed, viz., Douglas fir for use underground for mining purposes, as prescribed by departmental by-laws.
 - (H) Timber, undressed, n.e.i., viz., other.
 - (I) Timber, undressed, for the manufacture of boxes.
 - (J) Timber, for making boxes, being cut to size and dressed or partly dressed.
 - (L) Timber, dressed or moulded, n.e.i.; timber tongued or grooved or tongued and grooved; weatherboards.
- 293 (A).—Timber, undressed, for use in the manufacture of doors, as prescribed by departmental by-laws.
- 404.—Materials and minor articles, of a class or kind not commercially produced or manufactured in Australia, for use in the manufacture of goods within the Commonwealth, as prescribed by departmental by-laws.
- 404A.—Materials and minor articles, of a class or kind not commercially produced or manufactured in Australia or the United Kingdom, for use in the manufacture of goods within the Commonwealth, as prescribed by departmental by-laws.
- 415A.—Manufactures imported for use in the development of an Australian industry or of the natural resources of Australia, or for use in public hospitals or public educational institutions, or for use by public utilities established under Commonwealth or state law and not conducted for private gain: (1) being of a class or kind not commercially manufactured in Australia or the United Kingdom, as prescribed by departmental by-laws; (2) being of a class or kind not commercially manufactured in Australia and not being admissible under Items 174, 219(c), 404 or 415A (1), as prescribed by departmental by-laws.
- 434.—Goods of the classes which may be prescribed by departmental by-laws under items 103(B), 174, 228(A)(1), 229(H)(3), 404, 404A or 415A, but which are for such use as, in the opinion of the Minister, does not justify the application of the rates of duty operating under such items as prescribed by departmental by-laws.

Importations under these items during the base year are to be computed on a "c.i.f.e. basis," instead of the "value for duty plus 25 per cent" basis generally adopted for licensing purposes. A "c.i.f.e. basis" indicates that all charges represented by the f.o.b. cost, insurance, freight and the exchange necessary to convert to Australian currency are to be included in the value of the base year's imports.

It had already been provided that the first licensing period for timber should be the four-month period ending March 31, so that licences for this period were issued for c.i.f.e. values up to one-third of the base year's values.

(3) *Motor Vehicle Hardware*.—Originally the regulations listed practically all automobile hardware among the prohibited items from non-sterling countries. On February 2 a memorandum issued by the Department of Trade and Customs provided that licences could be issued to cover the importation from non-sterling countries of body hardware imported with panels for body building purposes, subject to the following condition:—

That the quantity of body hardware shall not exceed the actual requirements for the number of sets of panels imported under an importer's quota. The items which are regarded as constituting body hardware are hinges, door handles, devices for catching or fastening motor car doors, window winders and regulators, dovetails, rear window ventilating slide mechanism, channels, packing strips, centre pillars, filler pieces, strengthening brackets and fixtures for attaching body to chassis.

In view of the fact that the demand for replacement parts for motor vehicles varies considerably in respect of each part, and, to allow importers a certain

amount of flexibility over the whole of the parts required, a "grouping system" has been provided. A "bank" will be formed which will allow importers to concentrate on such parts, irrespective of tariff item, for which there is no alternative source of supply from a local or other sterling source, and it is expected that importers will use the grouping system only for that purpose.

A "B" class licence will be issued irrespective of the fact that the tariff items concerned are graded under "A," "B" and "C," although this will not change the category of any specific item included in the group.

This grouping refers only to motor vehicle replacement parts, although some of the tariff items specified have a fairly general commercial application. For this reason, importers are obliged to make a declaration on the import entry to the effect that the section of the entry relating to the general licence covers motor vehicle replacement parts only. A wide range of items is covered by the regulation. Of principal interest to Canadian firms are starter motors and generators; magneto parts; voltage regulators; switches, cut-outs, etc.; induction coils; ammeters; bolts, nuts, etc.; lamps, n.e.i.; malleable iron castings; metal tools; radiator ornaments; clocks, n.e.i.; belting; rubber pads; rubber manufactures, n.e.i.; rubber hose, n.e.i.; chassis replacement parts included under tariff items 359(D) (4) (a) and (b); gears; coil springs; fibre washers; asbestos packing; other packing, and thermostats. The group does not include lifting jacks, high tension ignition coils, carbon manufactures, or electric warning devices (audible). The Department holds the right to withdraw any item from the group in respect of any future licensing period.

(4) *Drugs and Chemicals*.—In a memorandum dated February 5, 1940, instructions were given to Collectors of Customs to grant licences as and when required irrespective of quantity, value, origin, or the relationship to the applicant's importations in the base year, covering the following commodities:—

Crude iodide of potassium.

Caustic potash and synthetic amyl alcohol.

Potassium hydroxide and the following potassium salts: bichromate of potash, carbonate of potash, chlorate of potash, muriate (chloride) of potash, nitrate of potash, perchlorate of potash, sulphate of potash, potassium bromate, potassium bromide, potassium iodide, potassium permanganate.

Instructions have also been issued amending the classification of chloroform, tariff item 10(A) (2), from category "D" to Category "B."

(5) *Spectacle Lenses and Spectacle Frames*.—In view of the difficulties experienced in obtaining requisite supplies of spectacle lenses and frames from sterling countries, it has been decided for the present to grant licences for these goods on the following basis:—

- (a) Importations from the United Kingdom and from other sterling countries may be included with importations from non-sterling countries for the purpose of establishing base year returns.
- (b) Licences may be granted during each of the first two licensing periods on the basis of one-sixth, and during the third period, on a basis to be determined, of the total value of base year imports from all sources.
- (c) With the exception of edged lenses classified under tariff item 244(C) (lenses, edged, for spectacles, except bifocal lenses), which are to remain under Category "D," spectacle lenses and spectacle frames are to be accorded a "B" category classification for licensing purposes.

Where an importer wishes to import in excess of his quota, on the grounds that prices are higher than during the base year and that consequently his quantities will be below requirements, his case will be considered only after he

submits precise information showing the general average and individual advance in prices of the goods in question above the values obtaining in the base period. The whole question is subject to revision prior to June 30, 1940.

(6) *Piece-goods*.—A memorandum issued by the Department of Trade and Customs provided that, in cases where orders had been placed and accepted by overseas suppliers prior to December 1, 1939, for cotton and artificial silk piece-goods classified in categories "A," "B" and "C," and conditions made it impossible to effect importation prior to April 30 as was required by the regulations, licences could be conditioned to require exportation from the country of origin not later than June 30, 1940, and importation into Australia not later than September 30, 1940. Goods affected by this memorandum are covered by the following tariff items:—

Tariff item—

- 105 (A)(1)(a) Cotton piece-goods and piece-goods containing a mixture of fibres in which cotton predominates (excepting piece-goods enumerated in sub-items (AA), (D)(1) and (F) n.e.i.
- 105 (A)(1)(d) Cotton piece-goods and piece-goods containing a mixture of fibres in which cotton predominates, of a type which would otherwise be classifiable under sub-item (A)(1)(b), as prescribed by departmental by-laws, viz.: for use in the manufacture of shirts; for use as pocketings in the manufacture of outer clothing; undyed, whether bleached or unbleached, for use in the manufacture of leathercloth, rubbercloth and other waterproofed cloth; undyed sheetings, whether bleached or unbleached, for use in the undyed state; for use in the manufacture of other goods not specified in sub-item (A)(1)(b).
- 105 (A)(1)(e) Tickings, bed, wholly of cotton or of cotton in admixture with linen, woven wholly or partly from coloured yarns.
- 105 (A)(2) Calico for bag making, as prescribed by departmental by-laws.
- 105 (B) Cotton piece-goods and piece-goods containing a mixture of fibres in which cotton predominates (excepting piece-goods enumerated in sub-items (AA), (D)(1) and (F)), defined for cutting up for the manufacture of hemmed or hemstitched cosies, d'oyleys, handkerchiefs, pillowshams, serviettes, table-centres, tablecloths, tablecovers, table runners, traycloths or window blinds, as prescribed by departmental by-laws.
- 105 (C) Piece-goods, n.e.i., including cotton piece-goods and piece-goods containing a mixture of fibres in which cotton predominates but not including piece-goods wholly of silk or in which silk predominates or piece-goods enumerated in sub-items (AA), (D)(1), and (F), suitable for human apparel, or to be worn in connection with the human body, having on one or both sides a teased, treated, combed, fluffed, or raised nap or surface in imitation of or resembling flannel in feel or appearance.
- 105 (D)(1) Artificial silk, or containing artificial silk or having artificial silk worked thereon, except piece-goods enumerated in sub-items (A)(1)(b), (A)(3), (A)(4), (A)(5), (AA) and (F) and in item 130 (B)(1)(b).
- 105 (K)(2) Piece-goods of a class or kind not produced in Australia which would otherwise be dutiable at a higher rate than that payable under this sub-item imported for use in the manufacture of neckties, as prescribed by departmental by-laws: other than of silk, wool or admixtures of wool and silk.
- 105 (O) Piece-goods known as organdie, wholly of cotton or containing a mixture of fibres in which cotton predominates, except piece-goods enumerated in sub-items (AA), (D)(1) and (F).
- 130 (B)(1)(a) Canvas and duck as prescribed by departmental by-laws.

Piece-goods normally classifiable under the tariff items enumerated above, but admitted under departmental by-laws under tariff items 327, 404, 404A, 415A(1), 415(A)(2) and 434 are also included.

Piece-goods of artificial silk, or containing artificial silk, or having artificial silk worked thereon, except piece-goods knitted or lockstitched (tariff item 105 (D)(1)), are now regarded as semi-seasonal goods, and a memorandum dated February 16 provides that licences may be issued for a value not exceeding 50 per cent of base year importations. This meant that it was possible for

importers to obtain licences in two licensing periods for their entire base year imports, instead of having to accept this quantity in six equal instalments spread out over the whole year.

(7) *Newsprint*.—Early in January, the almost complete interruption of newsprint supplies from the United Kingdom and Europe induced the Australian authorities to permit local importers to include their importations of newsprint from the United Kingdom with those from "non-sterling" countries for the purpose of establishing base year importations. It was also indicated that although the regulations with regard to the regular licensing periods would be adhered to as closely as possible, reasonable exceptions would be made to conform with shipping or other arrangements.

(8) *Sausage Casings*.—Sausage casings were given a rating of 50 per cent "C" and 50 per cent "D" in the original Schedule of Categories. A memorandum from Canberra dated February 8 provides that in future the classification will be "C."

(9) *Bristles for Brush Making*.—A memorandum dated February 19 provides that licences may be issued as and when required, irrespective of value or origin, or base year imports in respect of "bristles n.e.i.," tariff item 381(A). Animal hair n.e.i. under the same tariff item is still subject to quota.

Additional relaxations of import regulations include the following:—

It has been ordered that licences may be issued freely for the importation of the following, irrespective of quantity, value or origin: pulp for the manufacture of paper and boards; aluminium blocks, cubes, ingots, scrap, and granulated; aluminium angles, bars, pipes, plates, rods, sheets, strips, tees, and tubes, not further manufactured than plated, polished, or decorated; aluminium alloy blocks, ingots, and pigs; chromium salts, chromium oxide, and chromic acid.

Additional licences may be issued to individual importers, as and when required, for the importation from non-sterling areas of dry colours containing chromium up to one-third of the value of such goods imported from the United Kingdom during the year ended June 30, 1939.

Lenses for head lamps, parking lamps and tail lamps for motor vehicles, also moulded rubber mats for running boards of motor vehicles, all of which are under tariff items placed in category D (no licence), may be admitted as if under category C.

New Zealand

CONTROL OF IMPORTS IN SECOND HALF OF 1940

With reference to the article in *Commercial Intelligence Journal* No. 1871 (December 9, 1939), page 1111, concerning control of imports into New Zealand, the Canadian Trade Commissioner in Auckland cables that details of New Zealand import restrictions to be effective during the second half of 1940 were published on April 10.

Under the import regulations for the first half of 1940 motor vehicles were not licensed for importation except from the United Kingdom. The cablegram states that during the second half of 1940 motor vehicles are prohibited from all countries.

On most items, the Trade Commissioner reports, the reductions in imports will be on the same principle as during the first half of 1940; that is to say, the percentage of reduction of imports will apply to the value of imports of the articles in question during the second half of 1938. The following table shows the changes mentioned in the cablegram as affecting Canada and the comparative figures for the first half of 1940:—

	Reduction First Half 1940 Per Cent	Reduction Second Half 1940 Per Cent
Onions	not determined	100
Potatoes	not determined	100
Macaroni	100	not determined
Spirits	100	50
Fur skins, green, sun-dried	100	75
Gumboots, half knee, knee or thigh	50	25
Boots composed of canvas with rubber soles	50	50
Shoes composed of canvas with rubber soles	50	100
Goloshes	50	50
Overshoes	50	50
Circular saws	50	no reduction
Axes	50	no reduction
Hay forks	50	no reduction
Bicycles, etc., and some parts assembled	mainly 55	100
Vacuum cleaners	100	not determined

The Trade Commissioner advises that no further licence will be issued on the basis of deferred payments and payment from uncontrolled funds.

Barbados

PREFERENCE REGULATIONS FOR TRANSHIPPED GOODS

The Barbados Government *Gazette* of February 15, 1940, contains a notice enabling the Comptroller of Customs to relax the usual preferential tariff regulations respecting goods which had been transhipped at a foreign port en route to Barbados. The long-standing regulation governing such shipments is set forth in Section 11 of the Barbados Preferential Tariff Regulations of June 8, 1927. It reads:—

"Goods, the produce or manufacture of any part of the Empire, consigned to the Colony, which have been transhipped en route at a foreign port, or have been shipped from a foreign port after overland transit from the Empire country of origin, shall not be entitled to preference unless such goods have passed through foreign country in bond and are accompanied by a through bill of lading or railway consignment note from the country of production to the Colony in support of the Certificate of Origin. Where a through bill of lading or railway consignment note is not available, the Ocean bill of lading from the foreign port of shipment must bear a certificate signed by the steamship company before the British Consul that the goods have passed through such foreign country in bond, giving the Empire country of production and the number of the bonded car, in which case the Certificate of Origin should also be attested by the British Consul."

The new regulation states that if the Comptroller of Customs is satisfied in respect of any particular goods that the requirements of the aforementioned regulation could not reasonably have been complied with, but that all other requirements prescribed by the British Preferential Tariff Regulations, 1927, have been observed, and that such goods are the growth, produce or manufacture of the British Empire, the Comptroller may in his discretion waive compliance with the requirements of regulation 11 and admit the goods at the British preferential tariff rates.

Cuba

SURCHARGE ON CANADIAN GOODS REMOVED

Mr. C. S. Bissett, Canadian Trade Commissioner in Havana, advises that effective April 9, 1940, for the ensuing twelve-month period, Canadian products imported into Cuba will be dutiable under the rates of the Cuban minimum (or general) tariff. During the past year most Canadian imports into Cuba have been subject to the minimum tariff plus a surcharge of 25 per cent thereof (see *Commercial Intelligence Journal* No. 1837: April 15, 1939, page 560). The restoration of the minimum tariff to Canadian goods means that this surcharge is now removed.

EXCHANGE CONTROL IN BRITISH MALAYA

J. L. MUTTER, CANADIAN TRADE COMMISSIONER

Singapore, February 27, 1940.—Under the terms of the Emergency Powers (Defence) Act, 1939, the Straits Settlements Government have passed new regulations, with effect from February 1, entitled Defence (Finance) Regulations, 1940. The effect of these new regulations, which repeal Defence (Finance) Regulations 1939, is to tighten the previous restrictions and to extend still further the authority of the Financial Secretary over transactions involving the purchase, sale and loans of foreign currency and gold, the export of currency, gold and securities, and over dealers and banks authorized by him to deal in gold and foreign currency.

Under the regulations no gold may be exported from Malaya without the permission of the Financial Secretary. All separate gold coins and all gold bullion must be offered for sale to an authorized dealer (i.e. a person authorized by the Financial Secretary to deal in gold) without delay, unless permission to retain it, pro tem, is obtained from the Financial Secretary.

No local currency, bank notes or postal orders may be exported without permission, with the exception that, without obtaining formal permission, persons leaving the country may take with them for travelling expenses local currency up to the amount of Straits \$100.

No foreign currency may be exported from Malaya without the permission of the Financial Secretary, except up to the equivalent of Straits \$100 for travelling expenses. All holdings of specified currencies, viz: United States dollars, Canadian dollars, belgas, Swiss francs, French francs, Holland and Java guilders, Norwegian kroner, Philippine pesos and Saigon dollars, must be offered for sale to a local bank except where express permission is given to the contrary. The same applies to any bank balance in any of the aforementioned currencies, whether such balance is held in a bank in the Colony or abroad.

Securities, including shares, stock, bonds, notes, debenture stock and treasury bills, whether issued locally or otherwise, may not be exported from Malaya without permission, nor may they be transferred from a local register to a register outside Malaya, nor transferred in favour of a person resident outside Malaya without permission.

In terms of the regulations, every person holding American, Canadian, Argentinian, Belgian, French (including Indo-China), Dutch (including Netherlands East Indies), Norwegian, Swedish, Swiss, or Philippine securities, whether such securities are held in Malaya or elsewhere, is obliged to submit a return to the Financial Secretary on the appropriate form, giving full particulars. Moreover, he may not dispose of such securities without first obtaining the permission of the Financial Secretary.

The regulations include provisions for making exemptions in certain cases where their full application would be prejudicial to the persons concerned, and it has been decided to invoke these in such cases with particular reference to the restriction on disposal of certain "specified" currency balances and securities.

Copies of the Straits Settlements Government *Gazette Extraordinary* containing the Defence (Finance) Regulations, 1940, are on file at the Department of Trade and Commerce, Ottawa, and further particulars in connection with this legislation may be obtained on application to the Department, quoting File No. 20289.

(A report upon Straits Settlements Defence (Finance) Regulations, 1939, was published in *Commercial Intelligence Journal* No. 1871 (December 9, 1939) under the heading "Exchange Control in British Malaya.")

FOREIGN EXCHANGE QUOTATIONS: WEEK ENDING APRIL 15, 1940

The Foreign Exchange Division of the Bank of Canada has furnished the following statement of the nominal closing quotations for all the principal exchanges for the week ending Monday, April 15, 1940, and for the week ending Monday, April 8, 1940, with the official bank rate:—

Country	Unit	Present or Former Gold Parity	Nominal Quotations in Montreal Week ending April 8	Nominal Quotations in Montreal Week ending April 15	Official Bank Rate
Belgium	Belga	.1001	\$.1895	\$.1866	2
Bulgaria	Lev	.0072	.....	.....	—
Denmark	Krone	.2680	.2142	.....	5½
Finland	Markka	.0252	.0196	.0198	4
France	Franc	.0392	.0224	.0221	2
Great Britain	Pound	4.8666			
	Buying		4.4300	4.4300	2
	Selling		4.4700	4.4700	—
Greece	Drachma	.0130	.0073	.0072	6
Holland	Guilder	.4020	.5892	.5891	3
Hungary	Pengo	.1749	.3227	.3227	4
	Unofficial		.1952	.1951	—
Italy	Lira	.0526	.0560	.0559	4½
Yugoslavia	Dinar	.0176	.0249	.0249	5
Norway	Krone	.2680	.2520	.....	4½
Portugal	Escudo	.0442	.0382	.0379	4-4½
Roumania	Leu	.0060	.....	.....	3½
Spain	Peseta	.1930	.1013	.1013	4
Sweden	Krona	.2680	.2643	.....	3
Switzerland	Franc	.1930	.2489	.2489	1½
United States	Dollar	1.0000			
	Buying		1.1000	1.1000	1
	Selling		1.1100	1.1100	—
Mexico	Peso	.4985	.1849	.1848	3
Cuba	Peso	1.0000	.....	.....	—
Guadeloupe	Franc	.0392	.0224	.0221	—
Jamaica	Pound	4.8666	4.4800	4.4800	—
Martinique	Franc	.0392	.0224	.0221	—
Other British West Indies	Dollar	1.0138	.9313	.9313	—
Argentina	Peso (Paper)	.4245	.3304	.3304	3½
	Free		.2525	.2542	—
Brazil	Milreis (Paper)	.1196	.0673	.0673	—
	Free		.0558	.0558	—
British Guiana	Dollar	1.0138	.9313	.9313	—
Chile	Peso	.1217	.0573	.0573	3-4½
	Export		.0444	.0444	—
Colombia	Peso	.9733	.6327	.6325	4
Peru	Sol	.2800	.....	.....	6
Venezuela	Bolivar	.1930	.....	.....	—
Uruguay	Peso	1.0342			
	Controlled		.7307	.7307	—
	Uncontrolled		.4340	.4340	—
South Africa	Pound	4.8666	4.4600	4.4600	3½
Egypt	Pound (100 Piastres)	4.9431	4.5800	4.5800	—
China (Shanghai)	Dollar	.....	.0675	.0667	—
Hongkong	Dollar	.....	.2449	.2425	—
India	Rupee	.3650	.3359	.3359	3
Japan	Yen	.4985	.2602	.2602	3.29
Java	Guilder	.4020	.....	.....	—
Thailand (Siam)	Baht (Tical)	.4424	.....	.....	—
Straits Settlements	Dollar	.5678	.5250	.5250	—
Australia	Pound	4.8666	3.5800	3.5800	2
New Zealand	Pound	4.8666	3.5900	3.5900	4

The Dominion Bureau of Statistics has supplied the following note:—

Official buying and selling rates for sterling and United States funds set by the Canadian Foreign Exchange Control Board remained unaltered during the week ended April 15 at \$4.43-\$4.47 and \$1.10-\$1.11. At New York, sterling free market rates, reflecting increased European war activity, dropped from \$3.55½ on April 8 to \$3.46½ on the following day. However, the slightly stronger tone which prevailed during the remainder of the week lifted quotations back to \$3.50½ at the close. During the same interval the Canadian dollar rate at New York strengthened gradually to a new high for the past month of 86½ cents on the 15th, for a net gain of 2½ cents on the week. Montreal rates for the French franc closed unchanged at 2.22 cents, although quotations had previously touched a new low of 2.18 cents on the 9th. Currencies of countries neutral during the war of 1914-18 were mixed, belgas dropping 29 points to 18.66 cents, while florins remained steady at 58.91 cents on support from the Equalization Exchange Fund.

TRADE OPPORTUNITIES ABROAD FOR CANADIAN PRODUCTS

The Trade Inquiries for Canadian products published below have been received since the publication of the last issue of the *Commercial Intelligence Journal*. Interested exporters may secure the names and addresses of the firms making these inquiries, together with further details regarding the commodities required, on application to the Director, Commercial Intelligence Branch, Department of Trade and Commerce, Ottawa, or—

Secretary, Board of Trade—

Saint John, N.B.	Chatham, Ont.	Stratford, Ont.	St. Boniface, Man.
Halifax, N.S.	Guelph, Ont.	Woodstock, Ont.	Winnipeg, Man.
Quebec, P.Q.	Kitchener, Ont.	St. Marys, Ont.	Vancouver, B.C.
Montreal, P.Q.	Brantford, Ont.	Portage la Prairie, Man.	New Westminster, B.C.
Toronto, Ont.			

Secretary, Chamber of Commerce—

Sherbrooke, P.Q.	Belleville, Ont.	London, Ont.	Hamilton, Ont.
Kingston, Ont.	Peterborough, Ont.	St. Catharines, Ont.	Victoria, B.C.
Oshawa, Ont.			Prince Rupert, B.C.

Windsor Chamber of Commerce, Windsor, Ont.

Commercial Intelligence Service, Department of Municipal Affairs, Trade and Commerce, Quebec.

Department of Industry, Brantford, Ont.

Industrial Commissioner, Stratford, Ont.

La Chambre de Commerce de Montréal, 25 St. James E., Montreal, P.Q.

Secretary, Canadian Manufacturers Association—

Toronto, Ont.	Winnipeg, Man.	Vancouver, B.C.
Montreal, P.Q.	Edmonton, Alta.	Victoria, B.C.

Director, Bureau of Industrial and Trade Extension, Department of Trade and Industry, Victoria, B.C.

Commodity	No.	Location of Inquirer	Purchase or Agency
Foodstuffs and Feedstuffs—			
Canned Fruit.....	293	Alexandria, Egypt.....	Purchase and Agency.
Grocery Lines of All Kinds.....	294	Terenure, Dublin.....	Agency.
Corn Syrup (Glucose).....	295	Alexandria, Egypt.....	Purchase.
Corn Starch.....	296	Alexandria, Egypt.....	Purchase.
Wheat Flour.....	297	Alexandria, Egypt.....	Purchase and Agency.
Scallops, Fresh and Frozen.....	298	New York City, New York.....	Agency.
Lobster Shells.....	299	Brooklyn, New York.....	Agency.
Oils and Greases, Edible and also for Soap-making.....	300	Alexandria, Egypt.....	Purchase and Agency.
Miscellaneous—			
Linseed Oil.....	301-2	Alexandria, Egypt.....	Purchase.
Seeds, (Fruit, Vegetable and Flower).....	303	Montserrat, B.W. I.....	Purchase.
Pharmaceutical Preparations and Patent Medicines.....	304	Cairo, Egypt.....	Purchase and Agency.
Surgical Instruments, Hypodermic Needles and Syringes, and Hospital Appliances.....	305-7	Cairo, Egypt.....	Purchase and Agency.
Rubber Balloons.....	308	Cairo, Egypt.....	Purchase.
Toy and Advertisement Balloons.....	309	Dublin, Ireland.....	Agency.
Toys (Mechanical, Rubber, and Celluloid).....	310	Cairo, Egypt.....	Purchase and Agency.
Paper and Cardboard.....	311	Cairo, Egypt.....	Purchase.
Newsprint, in Sheets.....	312	Beirut, Syria.....	Agency.
Buckles for Harness and Other Purposes.....	313	Mexico, D.F., Mexico.....	Agency.
Pot-cleaning Wire.....	314	Sydney, Australia.....	Agency.
Scientific Apparatus.....	315	Cairo, Egypt.....	Purchase and Agency.
Antimonial Lead.....	316	Beirut, Syria.....	Purchase.
Nails, Wire and Slate.....	317	Dublin, Ireland.....	Agency.
Steel Stitching Wire, Round and Flat, Copper Coated or Tinned.....	318	Singapore, Straits Settlements.....	Purchase.
Heavy-duty Marine and Stationary Diesel Engines.....	319	Wellington, New Zealand..	Agency.

COMMERCIAL INTELLIGENCE SERVICE

L. D. WILGRESS, *Director*

Argentina

J. A. STRONG, B. Mitre 430, Buenos Aires (1). (Territory includes Uruguay.) *Cable address, Canadian.*

Australia

Sydney: L. M. COSGRAVE. Address for letters—P.O. Box No. 3952V. Office—City Mutual Life Building, Hunter and Bligh Streets. (Territory includes the Australian Capital Territory, New South Wales, Queensland, Northern Territory and Dependencies.) *Cable address, Canadian.*

Melbourne: FREDERICK PALMER, 83 William Street, Melbourne, C.I. (Territory includes States of Victoria, South Australia, Western Australia, and Tasmania.) *Cable address, Canadian.*

Belgium and Luxemburg

YVES LAMONTAGNE, Commercial Attaché, Shell Building, 60 rue Ravenstein, Brussels. *Cable address, Canadian.*

Brazil

L. S. GLASS. Address for letters—Caixa Postal 2164, Rio de Janeiro. Office—Ed. Da. "A. Noite," Sala 802, Praca Maua. *Cable address, Canadian.*

British India

PAUL SYKES. Address for letters—P.O. Box 886, Bombay. Office—Gresham Assurance House, Mint Road, Bombay. (Territory includes Burma and Ceylon.) *Cable address, Canadian.*

British Malaya

J. L. MUTTER, Union Building, Singapore, Straits Settlements. (Territory includes the Straits Settlements, the Federated Malay States, the Unfederated Malay States, Thailand, British Borneo, and Netherlands India.) *Cable address, Canadian.*

British West Indies

Trinidad: M. B. PALMER. Address for letters—P.O. Box 125, Port of Spain. Office—Barclay's Bank Building. (Territory includes Barbados, Windward and Leeward Islands, and British Guiana.) *Cable address, Canadian.*

Jamaica: F. W. FRASER, P.O. Box 225, Kingston. Office—Canadian Bank of Commerce Chambers. (Territory includes the Bahamas and British Honduras.) *Cable address, Canadian.*

China

V. E. DUCLOS. Address for letters—P.O. Box 264, Shanghai. Office—Ewo Building, 27 The Bund, Shanghai. (Territory includes Central China and North China.) *Cable address, Canadian.*

Cuba

C. S. BISSETT. Address for letters—Apartado 1945, Havana. Office—Royal Bank of Canada Building, Calle Aguiar 367, Havana. (Territory includes Haiti, the Dominican Republic, and Puerto Rico.) *Cable address, Canadian.*

Egypt

HENRI TURCOT. Address for letters—P.O. Box 1770, Cairo. Office—22 Shari Kasr el Nil, Cairo. (Territory includes the Sudan, Palestine, Cyprus, Iraq, Syria, Iran, Greece, Turkey, Bulgaria, and Roumania.) *Cable address, Canadian.*

France

HERCULE BARRÉ, Commercial Attaché, 3 rue Scribe, Paris (9). (Territory includes French Colonies in North Africa.) *Cable address, Cancomac.*

Hongkong

P. V. McLANE. Address for letters—P.O. Box 80, Hongkong. Office—Hongkong and Shanghai Bank Building, Hongkong. (Territory includes South China, the Philippines, and Indo-China.) *Cable address, Canadian.*

Ireland

JAMES CORMACK, 66 Upper O'Connell Street, Dublin, Ireland (*cable address, Canadian*); and 36 Victoria Square, Belfast, Northern Ireland.

CANADIAN GOVERNMENT TRADE COMMISSIONERS—*Con.*

Italy

- A. B. MUDDIMAN, Via Manzoni Nr. 5, Milan (102). (Territory includes Spain, Portugal, Gibraltar, Malta, Albania, and Yugoslavia.) *Cable address, Canadian.*

Japan

- C. M. CROFT, Commercial Secretary. Address for letters—P.O. Box 18, Akasaka Post Office, Tokyo. Office—Canadian Legation, 16 Omotecho, 3-chome, Akasakaku, Tokyo. *Cable address, Canadian.*

Mexico

- R. T. YOUNG. Address for letters—Apartado Num. 126-Bis, Mexico City. Office—Edificio Banco de Londres y Mexico, Num. 30, Mexico City. (Territory includes Guatemala, Honduras, and Salvador.) *Cable address, Canadian.*

Netherlands

- J. A. LANGLEY, Commercial Attaché, Coolsingel 111b, Rotterdam. (Territory includes Switzerland.) *Cable address, Canadian.*

New Zealand

- W. F. BULL. Address for letters—P.O. Box 33, Auckland. Office—Yorkshire House, Shortland Street, Auckland. (Territory includes Fiji and Western Samoa.) *Cable address, Canadian.*

Panama

- H. W. BRIGHTON. Address for letters—P.O. Box 222, Panama City. Office—98 Central Avenue, Panama City. (Territory includes the Canal Zone, Venezuela, Colombia, Nicaragua, and Costa Rica.) *Cable address, Canadian.*

Peru

- M. J. VECHSLER. Address for letters—Casilla 1212, Lima. Office—Edificio Boza, Carabaya 831, Plaza San Martin, Lima. (Territory includes Bolivia, Ecuador, and Chile.) *Cable address, Canadian.*

South Africa

- Cape Town:* J. C. MACGILLIVRAY. Address for letters—P.O. Box 683. Office—New South African Mutual Buildings, 17 Parliament Street. (Territory includes Cape Province and Southwest Africa, Natal, Tanganyika, Kenya, Uganda, Mauritius, and Madagascar.) *Cable address, Cantracom.*

- Johannesburg:* J. H. ENGLISH. Address for letters—P.O. Box 715. Office—Prudential Assurance Building, 92 Fox Street. (Territory includes Transvaal, Orange Free State, the Rhodesias, Mozambique or Portuguese East Africa, and Nyasaland.) *Cable address, Cantracom.*

United Kingdom

- London:* FREDERIC HUDD, Chief Trade Commissioner in the United Kingdom, Canada House, Trafalgar Square, S.W.1. *Cable address, Sleighing, London.*

- London:* G. R. HEASMAN, Trade Commissioner, Canada House, Trafalgar Square, S.W.1. (Territory includes Home Counties, Southeastern Counties, and East Anglia; also British West Africa.) *Cable address, Sleighing, London.*

- London:* W. B. GORNALL, Fruit Trade Commissioner, Aldine House, Bedford Street, Strand, W.C.2. *Cable address, Canfrucum.* (Territory—for fresh fruit only—includes United Kingdom, Norway, Denmark, Sweden, France, Holland, and Belgium).

- London:* G. R. PATERSON, Animal Products Trade Commissioner, Canada House, Trafalgar Square, S.W. 1. *Cable address, Agrilson.*

- Liverpool:* A. E. BRYAN, Martins Bank Building, Water Street. (Territory includes North of England, Lincolnshire, North Midlands, and North Wales.) *Cable address, Canadian.*

- Bristol:* E. L. McCOLL, Northcliffe House, Colston Avenue. (Territory includes West of England, South Wales, and South Midlands.) *Cable address, Canadian.*

- Glasgow:* G. B. JOHNSON, 200 St. Vincent Street. (Territory covers Scotland.) *Cable address, Cantracom.*

United States

- New York City:* D. S. COLE, British Empire Building, Rockefeller Center. (Territory includes Bermuda.) *Cable address, Cantracom.*

- Chicago:* W. J. RIDDIFORD, Tribune Tower, 435 North Michigan Avenue. *Cable address, Canadian.*

- Los Angeles:* B. C. BUTLER, Associated Realty Building, 510 West Sixth Street. *Cable address, Canadian.*

Note.—Bentley's Second Phrase Code is used by Canadian Trade Commissioners.

62.1505
65
-1

COMMERCIAL INTELLIGENCE JOURNAL

Vol. LXII

Ottawa, April 27, 1940

No. 1891



Pre-war Shipment of Canadian Flour at Oslo

ISSUED BY AUTHORITY OF
THE HON. W. D. EULER, MINISTER OF TRADE AND COMMERCE
JAMES G. PARMELEE, DEPUTY MINISTER



CONTENTS

	Page
Trade Commissioner in Cuba to Visit Canada	615
Import Exchange Control in the United Kingdom.....	615
Square Broom Handles in the United Kingdom.....	617
Prices for Frozen Egg Products in the United Kingdom.....	617
Production and Consumption of Cod Liver Oil in Great Britain	618
New Zealand's Overseas Trade in 1939.....	621
Australian Wheat and Flour	628
Trade of Bermuda in 1939.....	629
Germany's Trade with Norway	632
Hay Situation in the West Coast States.....	641
Wheat and Flour Trade of Colombia.....	642
Flour Trade of Venezuela	644
Wheat and Flour Trade of Nicaragua, Costa Rica and Panama	645
Tariff Changes and Trade Regulations.....	647
Exchange Conditions in Foreign Countries:	
Cuba, Dominican Republic, Puerto Rico, and Haiti.....	650
Foreign Exchange Quotations.....	651
Trade Inquiries for Canadian Products.....	652
Inquiry for Hardware Items from Chile.....	652
Commercial Intelligence Service.....	653

COMMERCIAL INTELLIGENCE JOURNAL

Issued Every Saturday by the Department of Trade and Commerce

PUBLISHED in English and French. Subscription Price for either edition: \$1 per annum in Canada (single copies 5 cents each); \$3.50 outside the Dominion (single copies 10 cents each). Remittances, which may be made by Post Office or Express Orders, or Drafts, or Cheques, payable at par in Ottawa, should be addressed to the King's Printer, Government Printing Bureau, Ottawa.

Vol. LXII

Ottawa, April 27, 1940

No. 1891

TRADE COMMISSIONER IN CUBA TO VISIT CANADA

Mr. C. S. Bissett, Canadian Trade Commissioner in Havana (whose territory includes Haiti, the Dominican Republic and Puerto Rico), is returning to Canada in June, when he will make a tour of the Dominion. Canadian firms wishing to have Mr. Bissett make investigations in their behalf before his departure from Cuba should communicate with him as early as possible. Mr. Bissett's address for letters is Apartado 1945, Havana.

IMPORT EXCHANGE CONTROL IN THE UNITED KINGDOM

FREDERIC HUDD, CHIEF CANADIAN TRADE COMMISSIONER
IN THE UNITED KINGDOM

London, April 5, 1940.—In *Commercial Intelligence Journal* No. 1888 (April 6, 1940), a report was published dealing with the regulations governing payments for United Kingdom exports.

Regarding payments for United Kingdom imports, as stated in previous reports exchange is automatically granted for the payment of imported goods which are covered by a licence. According to instructions issued by the Treasury, applications for exchange needed to pay for imports of goods on the prohibited list—full details of which have already appeared in the *Commercial Intelligence Journal*—should not be made until the importer is satisfied that an import licence for the goods can be obtained. In order to facilitate dealing with applications, the import licence should when possible be produced at the time the application for exchange is made.

Although the authorities possess, and occasionally exercise, the right to refuse to grant exchange to pay for goods the importation of which into the United Kingdom is unrestricted, generally speaking all applications for money to purchase such goods are sanctioned. The machinery of foreign exchange control is operated through the leading banks in concert with the Bank of England and the Treasury, and in so far as imported goods are concerned in co-operation with His Majesty's Customs. Subject to strict observance of prescribed safeguards, banks appointed as "authorized dealers" may approve certain types of import transactions without reference to the Bank of England.

APPLICATIONS FOR FOREIGN EXCHANGE

Applicants for foreign exchange are required to apply through their own bank on a special form on which they record details of the proposed transaction, including a description of the goods. Form E is used where the importer requires foreign currency and Form E.1 where permission is sought to transfer sterling to the overseas exporter. Importers to whom exchange has been allotted for the purchase of goods from overseas are under obligation to satisfy the

Government through their own bank that the sterling transfers approved, or the foreign currency sold to them, were required and have in fact been used for the purposes declared.

ALLOCATION OF EXCHANGE

Where the goods to be paid for have been delivered in the United Kingdom the importer obtains an additional copy of the customs entry conspicuously marked in red ink "for exchange control purposes only." This copy is stamped by the Customs and returned to the importer on the passing of the entry. He presents it to his bank as evidence of importation, together with the relevant invoices. If everything is found to be in order facilities for payment are then provided. As regards goods for which the settlement price is not known at the time of importation, e.g. goods imported on consignment for sale, the documentary evidence subsequently to be produced is the invoice or statement on which settlement is made with the supplier.

In cases where payment is required before the actual importation the importer must satisfy the bank that the proposed transaction is legitimate. To begin with, the bank will be acquainted with the nature of the importer's business, trade practices, and methods of payment. Assuming that the bona fides of the contemplated purchases are established, the importer must produce a copy of his order or similar evidence of purchase, together with the import licence where such is required. When the exchange is allocated the importer may effect payment. As soon as the goods arrive he secures a copy of the import entry in the manner already described and submits it to the bank as evidence of importation, accompanied by the invoices on which settlement of the goods has been made.

Where the applicant for exchange is not the importer in whose name the customs entry is made, he should obtain the Exchange Control copy of the entry from the importer. If such copy is not available by reason of the fact that the entry covers goods for more than one applicant for exchange, the applicant must ascertain and endorse on the invoices particulars of the appropriate customs entries, viz. port of importation, name of importing ship and date of report, number and date of entry.

Where goods imported in more than one consignment are included on an invoice, it should be accompanied by the Exchange Control copies of such entries as wholly relate thereto; but in so far as the invoice may relate to part only of goods included in a particular entry or entries, the invoice must be endorsed with particulars of the relevant customs entry.

CHECK OF TRANSACTIONS

The banks in turn transmit all the documents to the Bank of England where particulars of the currency, the amount and the purpose are extracted for their statistical records. In due course the Bank of England sends the files to the Exchange Control Branch of His Majesty's Customs, whose duty it is to check the whole transaction with a view mainly to detecting possible evasions of the Control by wrongful manipulations of prices or valuation.

While the arrangements outlined are suitable for the majority of import transactions they are not easily workable in certain trades, particularly where the importer is receiving supplies over a long-term contract and possesses only incomplete knowledge of the shipments which are arriving. In such instances the Exchange Control Branch of the Customs are prepared to enter into a special arrangement which meets the convenience of both parties.

The Exchange Control system is designed to cause the least possible interference with established trade practices, and for this purpose the machinery has been devised to secure the maximum amount of flexibility in administration.

EFFECT ON EXPORTS FROM CANADA

It will be seen that the operation of the United Kingdom Exchange Control has little, if any, direct effect upon Canadian export trade, because no difficulty is experienced by United Kingdom importers in obtaining facilities to pay for goods as long as they are in the category of permitted imports.

The main instrument for conserving the overseas currency resources of the United Kingdom in accordance with the national policy is import restriction. All Canadian exporters should take steps, therefore, to acquaint themselves with the changing conditions of the import licensing regulations which are regularly announced in the *Commercial Intelligence Journal*. In no circumstances should Canadian exporters make shipments to the United Kingdom of merchandise which is on the list of prohibited imports, unless they are satisfied that the importer has obtained a licence or a definite promise of a licence from the appropriate authority.

SQUARE BROOM HANDLES IN THE UNITED KINGDOM

L. H. AUSMAN, ASSISTANT TRADE COMMISSIONER

Bristol, April 4, 1940.—The Promotion of Economy Branch of the Timber Control has ruled that for the duration of the war broom handles (and tent poles) required by the Services and Government departments shall be square instead of round. A smaller section of wood is required to provide the same strength, and the waste associated with the turning operation is eliminated. It is expected that all Government requirements of these will be met by cutting the material in the United Kingdom. None are likely to be purchased ready-cut from Canada or other overseas sources.

Broom handles for household or industrial use will probably continue to be round. In the past Canada has been an important supplier of broom handles, both hardwood and softwood. Although import licences are required when purchased from foreign sources, "brooms and brushes and parts thereof" are admitted to the United Kingdom from Empire countries under an open general licence, and permits for individual shipments are not at present needed.

PRICES FOR FROZEN EGG PRODUCTS IN THE UNITED KINGDOM

Mr. G. R. Paterson, Animal Products Trade Commissioner in London, writes under date April 11 that an order made by the Minister of Food, prescribing the maximum prices for frozen egg products, came into force on Monday, April 1, 1940. The maximum prices ex cold store are: frozen whole egg and frozen whites, 8½d. per pound in large tins (over 15 pounds net weight of content), and 8¼d. per pound in small tins (up to and including 15 pounds net weight of content); frozen yolk, 10¼d. per pound in large tins and 10½d. per pound in small tins.

PRODUCTION AND CONSUMPTION OF COD LIVER OIL IN GREAT BRITAIN

E. L. McCOLL, CANADIAN TRADE COMMISSIONER

[Since this report was written the course of events in Europe has altered the Canadian angle of interest in the information it contains. Due to the cutting off of supplies from Norway, the export of cod liver oil from Canada has been prohibited. The report should be read with the situation prompting that step in mind.—Editor.]

Bristol, March 13, 1940.—There is an increasing employment of cod liver oil by the farmers of the United Kingdom in the feeding of live stock and especially of poultry. There are two explanations for this: growing knowledge of the value of the two vitamins A and D, two constituents of cod liver oil, and the intensive production of poultry by the battery-raising system which, while reducing costs, in many cases deprives the chicks of direct light and fresh green feed. It is now generally believed that it is necessary to use cod liver oil as a regular ration and that it should be in stock for liberal use on every farm. If chicks are reared outdoors in the full sun of late spring or early summer they will not be rickety, provided they have balanced rations which fit them to assimilate the minerals of the food. If they are kept in batteries they are able to thrive only by the aid of cod liver oil.

This report emphasizes the poultry side of veterinary cod liver oil, which has increased spectacularly; but the medicinal market has shown a similar expansion and is, on the whole, more remunerative. In spite of the very large pre-war increase in total production, the medicinal market still absorbs about 40 per cent of the annual output.

Inquiries reaching the office of the Canadian Trade Commissioner at Bristol as to the possibility of securing this oil from Canada, at least in crude form, have prompted this report on the sources of supply and consumption. Some members of the trade have expressed the view that if the situation in Great Britain were known to the fishermen of Nova Scotia and Quebec, they might do something towards recovering more of the livers which are now washed in large measure with the other offals into the sea.

A clear appraisalment of the value placed on cod liver oil by breeders of live stock can best be made by the Canadian codfish industry when the uses to which it is put and the results obtained are reviewed.

SOURCES OF SUPPLY

The production of cod liver oil in the United Kingdom of a grade suitable for medicinal, veterinary and industrial use, is a comparatively modern industry, dating back only four or five years. The situation then was somewhat similar to that obtaining on the Atlantic coast of Canada. The North Sea fishermen had no real facilities for collecting or processing livers. Such subsidiary work on livers also interfered with the routine of the regular catch of fish. A proportion, however, was recovered and sold on behalf of the British fishermen. As the vessels were not provided with the proper equipment for treating the livers when fresh, the oil produced was of inferior quality and was used mainly for industrial purposes. Consequently it brought a comparatively low price. The change which has taken place has created an important source of revenue both to the fishermen and the trawler owners. The bulk of the crude oil is now extracted on board ship by means of specially designed boilers. This is the first stage of a process which, continued in the factory on land, is highly technical in order that the essential virtues of the refined product should be conserved. Some of the smaller craft, however, still bring the livers ashore. The revenue derived is divided between the owners

and the fishermen. Up to September 1, 1939, crews received approximately 12s. 6d. per 40-gallon barrel of livers and 38s. to 40s. for a similar quantity of oil. The additional revenue accruing to the British fishing industry from cod liver oil production in recent years has amounted to almost half a million pounds per annum.

Codfish produces about 8 per cent of its net weight of liver and about half that quantity of oil. The pre-war value of this oil, which varies according to quality and grade, has practically doubled since the outbreak of war. Manufacturers in the United Kingdom have built up a flourishing industry on a sound economical and scientific basis until it now leads that of all other countries. They have placed their hall-mark of high quality on a standard commodity, with the result that, after meeting the needs of the home market, almost half their production was sold abroad until last September. Now their supplies of raw materials have been seriously reduced and they cannot meet the demand arising from an increased consumption both at home and overseas.

A rough estimate of the recent world production, all of which has been consumed, slightly exceeds 40,000 tons per annum. The main producing countries, and the pre-war quantities recovered in each, are: United Kingdom, 16,000 tons; Germany, 9,000; Norway, 8,000; Iceland, 4,000; and Newfoundland, 3,000 tons.

It is estimated that world supplies will be halved as a result of the war, while the demand is likely to continue rising.

COD LIVER OIL EFFICIENCY

In the manufacture of cod liver oil for medicinal or feed purposes, livers of fish other than those belonging to the cod family should be rigidly excluded. It is essential that every step of production be directed toward preserving and conserving the purity, general quality and vitamin values of the oil and yielding a finished product of the same quality as the natural oil in the liver of the living fish. It is not easy to attain this result. Cod liver oil is, perhaps, the most delicate of all oils. Maltreatment of any kind, whether of the highly perishable livers or of the oil, leads to undesirable changes, such as development of free acidity, oxidation or polymerization. These changes can make the oil not only extremely unpleasant and unpalatable, but may even lead to harmful results if the oil is fed in large amounts.

Particular stress should also be placed upon the vitamin values of the oil. These should invariably be assessed and stated in terms of international units. Fortunately, the vitamin values of cod liver oil are not its most perishable character; in fact, good practice as regards safeguarding the vitamins is covered by the slogan "take care of the oil and the vitamins will take care of themselves." The natural seasonal variation in vitamin values in genuine cod liver oil is very wide, roughly from 500 to 5,000 international units of vitamin A and from 50 to 500 international units of vitamin D per gram. When cod liver oil is genuine as to origin, and has been carefully prepared, it will always carry sufficient vitamin values to do its work when used medicinally or in the feeding of live stock in those quantities usually prescribed or fed.

The British industry naturally has its biological laboratories, where the oil is refined, tested for its vitamin content and rated according to its international unit potency, and finally click-tested under practical conditions to give a conclusive answer to the question of how much should be fed under farm conditions.

SPECIFICATIONS FOR COD LIVER OIL

(a) *Origin*.—The oil should be exclusively derived from fish of the *Gadus* family. In Great Britain the cod (*Gadus morrhua*) figures to about 80 per

cent. The other fishes contributing are the haddock (*Gadus aeglefinus*) and the saithe (*Gadus virens*).

(b) *General Quality*.—The oil should be no deeper in colour than a pale straw colour, and there should be no suggestion of real unpleasantness either to nose or palate.

(c) *Chemical, Physical and Biological Constants*.—These should be in harmony with the requirements of the British Pharmacopoeia for medicinal oil, and with the British Standards Specification for veterinary cod liver oil. In particular, for either grade, the free acidity and the unsaponifiable matter should not exceed 0.5 per cent and 1.5 per cent, respectively. The iodine value should not be less than 145, and the oil should contain not less than 500 international units of vitamin A and 50 international units of vitamin D per gram.

The distinctions between the grades of cod liver oil are mainly as follows:—

Medicinal.—The oil must be cold-cleared, that is, filtered at 0° C. to remove that fraction of the fat which solidifies and makes it cloudy at this temperature.

Veterinary.—Apart from the fact that this grade is not normally cold-cleared by filtering at freezing point, it should not differ essentially in quality from medicinal oil.

Industrial.—The term “cod oil” or “coast cod oil” is more applicable to this quality, as a fair proportion of it generally derives from other sources than cod livers. The livers used are normally stale, so that the oil produced must be regarded as highly damaged and suitable only for industrial purposes, such as leather dressing.

WARTIME SUPPLIES

The present emergency created a fear that supplies of cod liver oil would not be sufficient to meet the increasing demand. The British Ministries of Food and Agriculture, with the assistance of members of the trade, drew up regulations which have prevented any acute difficulties from developing. Producers were licensed. A controlled mixture at controlled prices was agreed upon. This arrangement resulted in an equitable and economical distribution for both the medicinal and veterinary grades. Veterinary cod liver oil was standardized at its lower rather than its higher vitamin values, this being effected by the addition of other fish oils of the same general type as cod liver oil itself. The oils for blending are supplied by the Ministry of Food from the stocks reserved for edible purposes. The vitamins A and D values of this controlled mixture are derived exclusively from cod liver oil. They conform fully with the Ministry's requirements, which are based on the medicinal standard of the British Pharmacopoeia and the British Standards Specification for veterinary cod liver oil.

PRICES

The controlled mixture of veterinary cod liver oil is sold to the dealer in 45-gallon lots at 6s. 6d. per gallon, and to the consumer at 7s. 9d. delivered to any station in Britain. Pre-war prices for pure cod liver oil on the same delivery basis averaged 3s. 5d. and 4s. 2d., respectively.

CANADIAN PRODUCTION

The amount of recovery of cod liver oil in Canada is not in keeping with the resources of that material. It has not reached the status at which it could be called an industry, although a little oil is collected in the Maritime Provinces and in the Gaspé Peninsula.

In recent years the demand overseas for Canadian cod has declined. Spain, Italy, and some of the Latin-American republics do not now offer the same

lucrative markets as formerly. Nevertheless, there still continues to be an important catch. The fishermen from scores of villages along the coasts of Gaspe and Nova Scotia keep this trade very much alive.

From what is already known of the nature of the Canadian cod fisheries and the season of the year over which they are normally conducted, it is reasonable to expect that an oil of very satisfactory vitamin values could be obtained from them, provided the initial technical difficulties of producing the oil in an undamaged state could be overcome. The outbreak of war and the consequent shortage of world supplies make the present a favourable opportunity to establish a new industry and to put it on a basis which will enable it to survive after the conclusion of hostilities. There are outstanding possibilities for the production and sale even of present grades both in Canada and in Great Britain.

NEW ZEALAND'S OVERSEAS TRADE IN 1939

BLAIR BIRKETT, ASSISTANT TRADE COMMISSIONER

(The average value of the New Zealand pound was \$3.70 Canadian in 1939 and \$4 Canadian in 1938.)

Auckland, March 18, 1940.—Statistics recently issued for the calendar year 1939 reveal the effects of New Zealand's policy of restricting imports that has operated since December, 1938. Exports of produce for the year ended December 31, 1939, were valued at £58,008,717 and imports for the same period at £49,387,183, resulting in an excess of exports over imports of £8,621,534, which compares with corresponding excesses of £2,954,094 in 1938, £10,552,684 in 1937, and £12,493,054 in 1936. So far as seaborne trade is concerned, therefore, the New Zealand Government's import and export control measures are producing the desired results.

The total trade in 1939 amounted to £107,395,900, representing a reduction of approximately 5 per cent from the previous year's figure of £113,798,472. The fall in exports from £58,376,283 to £58,008,717 was £367,566 or 0.5 per cent, while imports at £49,387,183 were less by £6,035,006, or approximately 11 per cent, than the 1938 value of £55,422,189.

Purchases from Canada in 1939 totalled £4,377,589 which compares with £4,855,499 in 1938. Exports to Canada were reduced to £932,254 from the previous year's figure of £1,112,831.

DIRECTION OF TRADE

The United Kingdom, as in other years, was the destination of the bulk of New Zealand's exports, taking 81.1 per cent of the total. (This percentage will undoubtedly increase during the present year when the full effect of Britain's war purchases of wool, meats, hides, etc., is felt). The United States' share of the exports was 4.94 per cent—nearly a 100 per cent increase over the 1938 figure but considerably short of the 1937 volume. Australia was next in importance with 3.92 per cent, a slight increase over 1938. France was in fourth position at 2.74 per cent (1.75 per cent in 1938). Canada was fifth with 1.62 per cent, which compares with 1.94 per cent in 1938 and 2.53 per cent in 1937.

With respect to imports, the United Kingdom was again predominant, supplying 46.8 per cent of New Zealand's purchases in 1939. This percentage compares with 47.8 per cent in 1938 and 49.6 per cent in 1937. This trend undoubtedly will be reversed during the present year. Australia was next with 13 per cent, a slight improvement over her position in 1938. The United States was third with 11.4 per cent, which continues a steady downward trend from

the figure of 12·4 per cent in 1937. Canada was in fourth place, and despite the over-all reduction in imports, improved her position from 8·7 per cent in the previous year to 8·8 per cent in 1939. Other sources of supply of less importance were the Netherlands East Indies, Japan, Germany, and Ceylon.

On the basis of import values, the relative importance of the principal countries supplying goods to New Zealand in 1938 and 1939 are as follows:—

	Imports		Inc. or Dec.	Inc. or Dec.
	1938	1939	Value	Per Cent
United Kingdom	£26,540,711	£23,127,761	—£3,412,950	— 12.8
Australia	7,156,652	6,428,215	— 728,437	— 10.1
United States	6,859,431	5,609,145	— 1,250,286	— 18.2
Canada	4,855,499	4,377,589	— 477,910	— 9.85
Netherlands East Indies . .	2,150,328	2,434,901	+ 284,573	+ 13.2
Japan	1,208,185	1,038,570	— 169,615	— 14.0
Germany	1,118,585	871,770	— 246,815	— 22.0
Ceylon	818,245	824,192	+ 5,947	+ 0.72
India	565,322	705,000	+ 139,678	+ 24.7
Belgium	518,498	417,791	— 100,707	— 19.3
Sweden	404,913	326,551	— 78,362	— 19.4

EXPORTS

The total value of New Zealand's exports in 1939, as has been shown, declined only slightly, by £367,566, from the 1938 total. Largely responsible for this decrease was the low price obtained for wool throughout most of the year. Despite a marked improvement in price during the last quarter and an actual increase of nearly 3 per cent in the quantity exported, a decrease in value of over £500,000 was recorded. Butter exports contributed by a decline of £388,320 in value from £16,908,546 to £16,520,226 and by some 6 per cent in quantity. Apple shipments fell in value from £719,528 in 1938 to £475,413 in 1939, by nearly 35 per cent. Exports of cheese declined from £5,935,061 to £5,849,191, and frozen mutton from £2,043,654 to £1,966,497, although both these items showed increases in actual quantities shipped. Other decreases of note were: pork, £1,564,876 from £1,727,092 in 1938; sausage casings, £698,348 from £742,595; tallow, £456,527 from £524,775; honey, £12,376 from £50,330; sawn timber, £154,019 from £177,426 in 1938.

The foregoing declines were partially offset by a substantial increase in gold shipments and by notable increases in exports of the following: beef, frozen, £1,150,761 from £880,615 in 1938; veal, £466,122 from £245,701; other meats, £482,092 from £391,538; meats tinned, £317,124 from £231,369; sheepskins without wool, £1,068,557 from £971,016; seeds and grass seeds, £284,508 from £233,372; and cattle hides, £505,149 from £465,575 in 1938.

At the end of the first six months of 1939 New Zealand's exports showed a drop of over £500,000 when compared with the corresponding period of 1938. Since it is normally during the first half of the year that exports reach their peak, it is apparent that, with a decrease of only £367,566 on the whole year's trade, war purchases, especially of meats, wool, hides, etc., by the United Kingdom are largely responsible for the better showing at the end of the year.

IMPORTS

As previously announced, all imports into New Zealand are under rigid control by the Government. Licences to import are granted or refused in accordance with the policy that is being strictly adhered to of building up overseas credit balances. The full effect of this control is not indicated by the available trade statistics, since during a great part of 1939 sizeable shipments of goods ordered prior to the gazettement of the regulations in December, 1938, were permitted entry. It will be possible to obtain a more adequate picture from the statistics for the first six months of the current year.

The values of the principal imports into New Zealand in 1939, showing increases as compared with 1938 were as follows:—

Principal Imports Showing Decreases

	1938	1939	Decrease
Canned fruits	£ 217,731	£ 155,155	£ 62,576
Bananas	188,871	122,119	66,752
Citrus fruit	281,783	212,650	69,133
Wheat	803,593	443,711	359,882
Cigarettes	463,108	337,256	125,852
Tobacco, manufactured	242,731	150,101	92,630
Hats, caps, millinery, etc.	218,446	142,991	75,455
Hosiery	365,297	241,881	123,416
Miscellaneous apparel and ready-made clothing	1,525,236	823,029	702,207
Footwear	578,023	394,756	183,267
Plain table cloths, towels, sheets, etc.	329,895	229,173	100,722
Miscellaneous drapery	399,154	300,803	98,351
Carpets, matting and linoleum	684,791	531,839	152,952
Paints, colours and varnishes	466,794	393,946	72,848
Iron and steel—			
Bar, bolt and rod	765,161	396,339	368,822
Pig, billet and bloom	155,415	64,896	90,519
Angle and tee	96,796	57,137	39,659
Channel and girder	183,044	119,805	63,239
Plate and sheet, black or uncoated	358,756	239,164	119,592
Artificers' tools, etc.	361,279	296,907	64,372
Fencing wire	275,882	194,543	81,339
Miscellaneous hardware, cutlery, etc.	990,386	771,108	219,278
Agricultural implements and machinery	348,115	239,420	108,695
Electrical machinery and equipment	2,842,847	2,513,417	329,430
Wireless apparatus	430,155	283,756	146,399
Sewing machines	188,822	129,256	59,566
Tractors and parts	806,361	578,116	228,245
Dredging and excavating machinery	340,771	132,425	208,346
Manufactures of leather and leather substitutes	179,503	133,751	45,752
Earthenware and chinaware	323,090	259,975	63,115
Glass and glassware	400,809	347,510	53,299
Printing paper	820,484	710,271	110,213
Stationery	301,131	238,119	63,012
Fancy goods	317,867	163,820	154,047
Jewellery	125,154	58,589	66,565
Timepieces	224,794	131,875	92,919
Medicinal preparations and drugs	422,344	375,445	46,899
Toilet preparations	238,582	165,430	73,152
Sulphur	267,921	208,815	59,106
Motor vehicles	5,427,860	4,192,747	1,235,113
Parts of motor vehicles (other than tires)	428,580	327,066	101,514
Brushware	129,477	80,925	48,552
Matches and vestas	81,707	35,600	46,107
Musical instruments	140,906	96,239	44,667

The principal New Zealand imports in 1939 showing increases in value as compared with 1938 were as follows:—

Principal Imports Showing Increases

	1938	1939	Increase
Sugar	£ 601,270	£ 853,641	£ 252,371
Tea	816,860	880,315	63,455
Tobacco, unmanufactured	320,751	542,592	221,841
Yarns	318,041	371,103	53,062
Hatmakers' materials	103,703	151,200	47,497
Cotton piece-goods	1,492,457	1,711,591	219,134
Silk and artificial silk piece-goods	958,400	1,040,290	81,890
Bags, sacks and woolpacks	370,121	484,532	114,411
Motor spirits	1,891,339	2,029,960	138,621
Iron and steel (tinny plate and sheet)	372,067	422,891	50,824
Railway and tramway plant	934,420	1,155,135	220,715
Phosphates	532,944	581,683	48,739
Arms, ammunition and explosives	516,337	800,806	284,469

IMPORT CONTROL

It will be recalled that in order to conserve foreign exchange and to arrest the alarming depletion of sterling balances in London, the New Zealand Government on December 5, 1938, instituted control over all imports, exports and foreign exchange. The effect of this policy has been to reduce in a varying degree, and in some cases to eliminate, a wide range of imports. The restrictions imposed have fallen lightly on goods from the United Kingdom, more heavily on those from other parts of the Empire, and still more heavily on foreign goods. The Government wishes to interfere as little as possible with imports from the United Kingdom; in fact, where practicable, orders formerly placed elsewhere have been diverted to Britain, viz., motor cars, machinery, textiles, etc.

In granting licences the imports for the year 1938 have been taken as a basis, and reductions have been made from that level. Those items not curtailed or eliminated have been allowed to enter to the full value of the 1938 purchases. During the first six months of 1939 the reductions effected, although extensive, were not sufficient to correct the financial position, and a more severe program of licensing was followed during the last half of the year, in addition to the introduction of a deferred payment system which in the case of some articles extended over twelve months. Exchange permits were the instruments of control in this respect. Their value and the period of deferment were based on the recognized importance to New Zealand's economy of the item concerned.

By the end of 1939 the control measures had begun to show the desired results, and the improvement in the position of home and overseas funds has encouraged the hope that New Zealand may return to normal methods of financing imports sometime during 1940. Licensing of imports, of course, will remain.

For the third licensing period—from January 1 to June 30, 1940—seven lists have been drawn up indicating the percentage reductions for the various items of import from the United Kingdom, other parts of the Empire, and from foreign countries. Typical treatment of an item is as follows:—

Per Cent Import Reduction (Base Year, 1938)

	United Kingdom	Other British Countries	Foreign Countries
Gum boots	Nil	50	100

The general headings of the seven lists referred to above are as follows:—

(A) Goods admitted without restriction from any country, except that licences will be limited to the value of the imports of such goods by the applicant during the corresponding period of 1938.

(B) Goods admitted from the United Kingdom up to the level of imports in 1938 but subject to restriction from other sources.

(C) Goods subject to a reduction of 25 per cent from the United Kingdom and restriction from other sources.

(D) Goods subject to a reduction of 50 per cent from the United Kingdom and restriction from other sources.

(E) Goods subject to a varying degree of reduction from the United Kingdom and other sources.

(F) Goods in respect of which no basic allocation is being made but applications will be considered individually.

(G) Goods in respect of which no licences will be granted for imports from any country.

What constitutes a further licensing group includes those goods, practically all of which are on the prohibited list, for which special import licences are granted provided no remittance of controlled funds is made in payment. While

it is not likely that such licences will be issued in the future, certain quantities of Canadian salmon, washing machines, dresses, refrigerators, etc., have been imported on this basis.

(Note.—The Canadian Trade Commissioner at Auckland cabled under date April 10 that no further licences will be issued on the basis of deferred payments or payment from uncontrolled funds.)

Detailed information regarding each item included in the above-mentioned lists is available upon application to the Department of Trade and Commerce, Ottawa.

TRADE WITH CANADA

The value of exports of New Zealand produce to Canada during 1939, amounting to £932,254, was £180,577 or over 16 per cent less than the total for 1938. The principal single item contributing to this decrease was butter, shipments of which fell in value from £167,624 in 1938 to £3,500 in 1939, a decrease of over 98 per cent. Other notable decreases occurred in: calfskins, £44,408 in 1939 as compared with £117,151 in 1938; fresh apples, £1,726 as against £48,088 in 1938; and greasy wool, £220,670 as against £262,915 in 1938.

Offsetting these reductions there were increases in exports to Canada of: cattle hides, £99,441 in 1939 as compared with £28,213 in 1938; sheepskins with wool, £54,969 as against £33,310; frozen lamb and mutton, £24,412 as compared with £7,110; slipe wool, £77,237 as against £60,924; sausage casings, £232,064 as compared with £218,685; and several others of less importance, such as casein, scoured wool, manures, grass seed, and sheepskins without wool.

Despite the restriction measures, the total value of imports from Canada was maintained at a fairly high level, suffering a reduction of only some 10 per cent from £4,855,493 in 1938 to £4,377,589 in 1939. This decrease, less than was expected, was occasioned largely by the curtailment in purchases of preserved foods, apparel, and finished articles of manufacture not considered essential to New Zealand consumers. The reduction, however, would have been considerably heavier but for the increased demand for plant and machinery and for certain articles of manufacture mainly unfinished, as well as for unassembled parts required for local industry. The import of certain Canadian goods ordered prior to the date of operation of the control and those financed on a "no remittance" basis has also contributed to minimizing the decrease.

IMPORTS OF INTEREST TO CANADA

Following are notes on the import items of chief interest to Canadian exporters, comparative values of the Dominion's share of the total imports in 1939 and 1938 being shown for each item:—

Tinned Fish.—1939, £103,488; 1938, £125,915.

Although imports of Canadian salmon, pilchards and sardines were maintained at a high level during the first licensing period (January to June, 1939), shipments for the whole year were reduced considerably owing to the prohibition of these products during the second licensing period (July to December, 1939). A modest volume of imports, particularly of salmon and sardines, is still coming in on the basis of payment being effected through uncontrolled funds. For the third licensing period (January to June, 1940) tinned fish is on list G, which means that it will not be permitted entry from any country. Shipments on the "no remittance" basis will not be large, and the returns for the first six months of 1940 will show a substantial reduction.

Wheat.—1939, £26,517; 1938, £37,282.

The New Zealand Government's control of the purchase of wheat and its encouragement of the use of straight domestic flour has further reduced purchases from Canada. This trend will continue, tempered only by the requirement of a certain quantity of hard flour for blending purposes. Wheat is on list F.

Fur Skins, Green and Sundried.—1939, £25,491; 1938, £19,364.

As anticipated in a previous report, this trade continued to show a satisfactory increase under the Government's policy of licensing raw materials for local industry. Since January 1, 1940, however, all raw furs are considered non-essential and are on list G. No further licences will be granted therefore for imports from any country.

(NOTE.—The Canadian Trade Commissioner at Auckland cabled under date April 10 that for the period July 1 to December 31, 1940, imports of this item from Canada are reduced by 75 per cent from the value for the second half of 1938.)

Hats, Caps, Millinery.—1939, £8,416; 1938, £20,015.

The effect of the complete prohibition of these articles during the second half of 1939 is clearly shown by the above figures. Local manufacturers are supplying the needs of this market and the prohibition will continue; the item is now on list G.

Hosiery.—1939, £48,581; 1938, £111,764.

Local hosiery manufacturers continue to turn out an article satisfactory to the trade, and the prohibition of imports from all countries continues to apply. The value credited to Canada is accounted for by certain quantities that were contracted for, both in the grey and finished, prior to December 5, 1938. Similarly the total value of imports for 1939, amounting to £241,881 as compared with £365,297 in 1938, can be largely explained by supplies from Japan which came in under 1938 contracts. Hosiery is at present on list G.

The production facilities of domestic hosiery manufacturers have undergone considerable expansion during 1939, and the authorities are satisfied that the local industry can take care of all future needs.

Apparel n.e.i.—1939, £57,279; 1938, £143,139.

The principal item of interest to Canada under this heading is women's dresses, which prior to the restrictions enjoyed a profitable sale in New Zealand. They have been on the prohibited list since the introduction of restrictions, and the value given above covers purchases made prior to December 5, 1938. A well established clothing industry in New Zealand is making good progress, and the manufacture of women's dresses has been taken up by several firms. A few Canadian dresses are brought in for copying. This item is on list G.

Gum Boots.—1939, £76,556; 1938, £81,475.

Little restriction has been placed on imports of gum boots owing to the needs of the farming community. For the third licensing period they are included in list B, the percentage reduction on imports from the United Kingdom being nil, from Canada and other Empire countries, 50 per cent; and from foreign sources, 100 per cent. Unless it can be shown that sufficient supplies are not obtainable from the United Kingdom, imports from Canada in 1940 will show a further decrease.

(NOTE.—The Canadian Trade Commissioner at Auckland cabled under date April 10 that for the period July 1 to December 31, 1940, imports of gum boots, half knee, knee or thigh, from Canada are reduced by 25 per cent of the value for the second half of 1938.)

Leather Footwear.—1939, £27,031; 1938, £40,929.

During the first licensing period no restriction was placed on imports of leather boots and shoes from the United Kingdom, but on the basis of imports during a similar period of 1938, purchases from Canada were reduced by 80 per cent, which accounts for this substantial decrease in the values given above. For the second licensing period leather footwear was prohibited from all countries and for 1940 it is on list G. The value for 1939, given above, largely covers shipments contracted for prior to the gazettement of the regulations. The local manufacture of leather footwear is now well established.

Rubber Footwear.—1939, £35,565; 1938, £37,401.

The comparatively good showing of this item may be attributed largely to the complete prohibition of imports from foreign countries during the second licensing period. The reduction of purchases from Canada during this period was only 25 per cent. A local firm has been manufacturing rubber footwear for some months and is supplying an increasing amount of the requirements of the market. A further reduction in Canada's share of the trade is therefore to be expected. For the first half of 1940 the item is on list B, and the percentage reductions are: United Kingdom, nil; other British countries, 50 per cent; foreign countries, 100 per cent.

(NOTE.—The Canadian Trade Commissioner at Auckland cabled under date April 13 that for the period July 1 to December 31, 1940, imports of shoes composed of canvas with rubber soles are prohibited from all countries, but for imports of overshoes, goloshes and boots composed of canvas, with rubber soles, the percentage reduction remains the same as for the first half of 1940.)

Hat Hoods, Unblocked.—1939, £25,245; 1938, £17,560.

There has been no restriction placed on imports of these articles from the United Kingdom and the Empire and, in response to the demand from New Zealand's manufacturers of hats, shipments from Canada continue to increase. For the third licensing period (January to June, 1940) this item is on list B, with percentage reductions as follows: United Kingdom, nil; other British countries, nil; foreign countries, 100 per cent.

Cotton and Linen Piece-goods.—1939, £16,096; 1938, £12,537.

Silk and Artificial Silk Piece-goods.—1939, £34,602; 1938, £29,194.

With the complete prohibition of imports of frocks, there has been a rapid development of the New Zealand dress industry. Under the import restrictions, textiles from Canada are prohibited; however, special licences have been issued over and above the value of 1938 imports. Canadian dress fabrics are very popular in New Zealand, and with any relaxation in the import regulations these items would quickly attain a substantial volume.

Paints and Varnishes.—1939, £11,109; 1938, £13,318.

During the first licensing period the imports from Canada of these products were cut by 80 per cent and not at all from the United Kingdom. For the second period they were completely prohibited from all countries. The value given above for 1939, therefore, largely represents goods purchased in 1938.

Calculating Machines and Cash Registers.—1939, £26,459; 1938, £33,833.

During the second licensing period the imports of these machines from the United Kingdom were reduced by 25 per cent, by 75 per cent from the Dominions, and by 75 per cent from foreign sources. No restriction was applied during the first period. For 1940 they are on list D and obtainable only from the United Kingdom. Canadian shipments will therefore cease.

Batteries and Parts Thereof Other Than Storage.—1939, £13,962; 1938, £22,397.

The value given for 1939 represents batteries imported during the first licensing period and those ordered prior to December, 1938. Since July, 1939, batteries from all countries have been prohibited. Local manufacturers are progressing steadily and are supplying all the needs of this market.

Washing Machines.—1939, £78,080; 1938, £67,939.

Although for the third licensing period, washing machines were prohibited from all countries, shipments from Canada during 1939 increased over those in 1938. This was occasioned by extra large orders received on 1938 contracts and certain shipments effected on special licences. For 1940 the item is on list F, and it is not anticipated that licences will be granted.

Five firms have begun or are about to begin the manufacture of washing machines in New Zealand. One of these manufacturers is obtaining all his parts from Canada, and two others are purchasing wringers and motors from Canada. Accordingly, imports under this heading will continue, although the importation of completed machines is prohibited.

Timber, Rough Sawn.—1939, £46,971; 1938, £58,368.

During 1939 there was no restriction placed on imports of rough sawn Douglas fir, the values of imports being £41,302 (\$158,687) in 1939 compared with £52,260 (\$188,136) in 1938. For 1940, however, it has been placed on list F, and it is unlikely that licences will be granted. An exception is made for imports in lengths of 25 feet and over having a cross section of at least 150 square inches. These lengths will be restricted by 50 per cent from Canada. Shipments of ordinary lengths will practically cease during the present year.

Veneers and Plywood.—1939, £19,550; 1938, £9,601.

Owing to the great need for veneers and plywood by local industries, particularly the manufacturers of radio sets, no restriction has been placed on imports from any source, and Canada has continued to supply increasing quantities. Heretofore the quality of these products produced in New Zealand has not been entirely satisfactory. An up-to-date plant is expected to go into production, however, in the near future, and sales by Canada will be curtailed.

Newsprint.—1939, £347,305; 1938, £416,363.

The New Zealand publishers have a long-term contract with Canadian newsprint producers whereby they draw the bulk of their requirements from Canada. Under the import regulations imports from Canada and the United Kingdom, the only suppliers, are allowed up to the value of imports in 1938. As a result of the war English mills cannot export newsprint, and to date the publishers have not been granted permission to transfer this business to Canada or Newfoundland. Accordingly the total imports will be reduced in value by the amount formerly supplied from the United Kingdom, and imports from Canada will be reduced in volume by any increases in price, freight charges and insurance. The reduction shown in the above figures is a direct result of the rationing of overseas currency, which has been effective since August, 1939. Canadian mills refused to ship on the deferred payment basis, and New Zealand buyers were unable to offer any better terms under the regulations. This situation has been adjusted, and imports in 1940 should approximate 1938 in value.

Wrapping Paper.—1939, £29,880; 1938, £48,867.

Canada has for many years supplied most of the wrapping paper imported into New Zealand. A local factory using imported wood-pulp has been taking an increased share

of the market and, under the protection granted by the import regulations, this factory has been operating to capacity. For the first half of 1939 wrapping paper from Canada was reduced by 40 per cent under the regulations. For the second half of 1939 and the first half of 1940 the reduction was 50 per cent.

Passenger Motor Vehicles c.k.d., Other Than Buses.—1939, £1,290,415; 1938, £1,214,457.

Lorries, Trucks, Vans and Buses and Chassis For, c.k.d.—1939, £346,236; 1938, £363,407.

Motor vehicles accounted for 37 per cent of all imports from Canada into New Zealand during the year. Despite a reduction of 40 per cent under the import restrictions for the second half of 1939, total imports from Canada showed a small increase over the 1938 figure and established a new record for any one year.

There was a heavy importation of motor vehicles during the first nine months of 1939, and sales were maintained at a high level throughout the year. There was practically no importation in the last quarter, and for the first half of 1940 the import of all motor vehicles from Canada has been prohibited. Imports of "completely knocked down" cars from the United Kingdom will be licensed up to 35 per cent of imports during the first half of 1938, and those of built-up cars up to 25 per cent. Importers who formerly brought in Canadian cars are permitted under the regulations to use their Canadian imports in 1938 as a base for imports of cars from the United Kingdom in 1940. This complete prohibition on imports of motor vehicles from Canada will drastically reduce trade with New Zealand.

(NOTE.—The Canadian Trade Commissioner at Auckland cabled under date April 10 that for the period July 1 to December 31, 1940, imports of motor vehicles are prohibited from all countries.)

On the outbreak of war, restrictions were placed on the use of gasoline by private and commercial operators. During the holiday season these regulations were lifted, but beginning February 1, 1940, gasoline has been rationed as follows: light cars up to 14.5 h.p., 8 gallons per month; heavy cars, 12 gallons per month. Business cars are allowed a maximum of 30 gallons per month for heavy cars and 20 gallons for light cars. Over-all reductions of one-third were made in the gasoline licences granted transport services, private trucks, milk and bread companies, etc. These restrictions should reduce the total gasoline consumption by approximately 30 per cent, or 3,000,000 gallons per month.

Pneumatic Rubber Tires and Inner Tubes.—1939, £310,337; 1938, £394,622.

The reduction in imports of Canadian pneumatic rubber tires and tubes is directly due to the import restrictions. Imports of tires from Canada were reduced by 55 per cent under the regulations for all of 1939, and for the first half of 1940 the reduction is 50 per cent. The United Kingdom is the chief competitor of Canada in this market, and although there was no reduction in imports from that source in 1939, for 1940 tires from the United Kingdom are also reduced by 50 per cent under the regulations. With the reduction in imports of motor cars and the restrictions on the use of gasoline, the local consumption of tires must fall off.

AUSTRALIAN WHEAT AND FLOUR

FREDERICK PALMER, CANADIAN TRADE COMMISSIONER

(£A.1 equals \$3.60 Canadian)

Melbourne, March 21, 1940.—The latest official estimate of the area sown to wheat in Australia for the season 1939-40 is 13,517,000 acres. Production is estimated at 211,443,000 bushels, and the yield per acre at 15.64 bushels. These figures compare with averages for the 10-year period ended 1939 of 14,345,000 acres, 169,398,000 bushels, and 11.81 bushels per acre.

Following an initial payment of 2s. per bushel to growers for wheat acquired in October, 1939 (approximately 18,000,000 bushels), further advances have been made to the growers, bringing payments authorized to date in respect of the No. 1 pool to 2s. 8d. per bushel for bagged wheat and 2s. 6d. per bushel for bulk f.o.b. Advances made to growers in respect of the No. 2 pool amounted to £A.22,671,000 on 188,786,000 bushels. Expenses, including handling charges, etc., were £A.1,834,000, requiring the payment of £A.24,505,000 by the Commonwealth Bank. Revenue was £A.2,923,000, including £A.426,000 from the flour tax.

As a result of the small crops of wheat garnered in North China and Manchukuo in 1939, and because of a partial failure of the rice crop in Japan.

the flour trade in Australia anticipates large-scale buying by the Orient. Otherwise millers are experiencing a very quiet period, principally owing to the difficulty in obtaining freight to relieve the accumulation of stocks of flour at the mills. It is reported that as a result of special representations, the British Government had instructed that requisitioned liners were to supply space for 10,000 tons of flour a month for Great Britain.

TRADE OF BERMUDA IN 1939

D. S. COLE, CANADIAN TRADE COMMISSIONER

(For the purpose of this report sterling exchange has been calculated at \$4.47 Canadian funds)

New York, March 19, 1940.—Owing to the war, tourist traffic from the United States and Canada to Bermuda has decreased considerably and, as the Islands are largely dependent on this traffic, trade is correspondingly reduced. Two important control boards have been in operation since the first days of the war. All import and export trade, as well as currency matters, are under strict supervision and control, although care is exercised that no restrictions be placed upon the tourist traffic.

BERMUDA IMPORTS BY COUNTRIES

Through the courtesy of the Colonial Secretary to Bermuda, preliminary import figures for 1939 have been made available, and the following table shows the imports for 1938 and 1939, with percentages credited to the principal sources of supply:—

	1938			1939		
	\$	Per Cent of Total	\$	Per Cent of Total	Per Cent Inc. or Dec.	
Canada	1,244,153	14.7	1,288,272	16.4	+ 3.5	
United States	3,739,392	43.9	3,638,178	46.5	— 2.7	
United Kingdom	2,501,930	29.4	1,909,508	24.4	— 23.6	
British West Indies	185,688	2.1	183,864	2.4	— 0.9	
Other countries	833,834	9.7	790,779	10.1	— 5.1	
Dutiable packets	17,858	0.2	18,738	0.2	+ 4.7	
Total	8,522,855	100.0	7,829,339	100.0	— 8.1	

As shown in the foregoing table, Canada was the only country to increase its exports to Bermuda in 1939. The fluctuations in trade were not great apart from the decided decrease in imports from the United Kingdom brought about by war conditions.

Due to wartime conditions, Canada's share of Bermuda's import trade for the first four months of the war (September to December, 1939) amounted to 27.3 per cent of the total value of imports.

PRINCIPAL IMPORTS FROM CANADA

Details of principal imports from Canada to Bermuda for the calendar years 1938 and 1939, together with percentages of total imports, are shown in the following table:—

Agriculture supplies—	1938		1939	
	Value \$	Per Cent of Total	Value \$	Per Cent of Total
Boxes and materials	6,495	57.1	8,055	71.5
Bran	15,797	77.4	15,341	84.4
Grain, mixed	19,900	18.2	62,352	43.7
Hay	36,404	99.6	34,312	99.5
Oats	86,070	80.1	88,113	97.1
Pollard	10,589	88.6	10,460	94.8
Potatoes, seed	12,042	99.6	20,544	86.8
Fertilizers	1,728	7.8	4,099	20.2

PRINCIPAL IMPORTS FROM CANADA—*Concluded*

	1938		1939	
	Value \$	Per Cent of Total	Value \$	Per Cent of Total
Beverages—				
Malt liquor (hogsheads) . . . . .	.....	.....	1,810	6.7
Malt liquor (quarts)	2,445	1.8	2,941	2.3
Whisky	20,325	15.8	20,361	15.8
Building materials—				
Cement	6,348	14.5	6,079	18.6
Laths	1,891	83.9	1,623	100.0
Lumber	28,143	21.7	23,941	17.8
Paints and oils	23,941	35.3	17,169	35.5
Hardware	36,914	15.4	30,727	13.6
Structural material, miscellaneous . .	7,599	8.6	4,359	7.0
Clothing—				
Boots and shoes, leather	1,760	1.2	469	0.5
Boots and shoes, canvas and rubber	5,409	58.6	5,351	51.4
Cotton clothing	8,202	4.4	2,195	1.2
Cotton goods	4,389	6.1	3,388	4.7
Rayon clothing	6,258	14.3	5,030	10.9
Silk clothing	12,592	31.6	4,957	18.7
Silk goods	2,414	27.8	1,448	40.9
Wool clothing	3,867	1.1	1,877	0.8
Drugs—				
Drugs	9,423	10.3	7,179	12.5
Surgical equipment	3,893	70.6	1,220	75.2
Fuel—				
Gas	3,245	26.8	2,946	23.7
Gasoline	9,825	34.7	3,831	7.9
Electrical supplies	37,047	9.2	28,550	6.7
Transport	4,282	3.1	4,300	5.3
House furnishings—				
Carpets	1,886	4.2	2,664	8.4
Furniture	46,403	26.6	49,550	28.7
Glassware	344	1.1	863	3.5
Kitchenware	1,033	10.7	295	9.5
Miscellaneous—				
Brooms and brushes	4,050	23.4	3,500	22.3
Musical instruments	4,649	15.9	595	3.2
Paper, wrapping	2,946	11.9	4,537	15.7
Stationery	3,732	5.2	9,888	13.3
Unclassified	28,013	4.9	25,206	7.1
Food supplies—				
Bacon	12,047	24.7	8,882	19.4
Beef	47,440	25.9	56,273	26.2
Beef, canned . . . . .	.....	.....	14,282	11.3
Beef, pickled	27,124	53.6	26,860	56.0
Biscuits	8,940	17.1	8,247	17.0
Butter	14,353	8.1	64,891	35.7
Cheese	26,360	68.7	24,741	69.7
Confectionery	6,415	7.9	13,379	17.8
Eggs	40,650	62.2	23,740	50.5
Fish, canned	4,434	12.6	6,124	17.0
Fish, fresh	5,073	59.2	3,710	53.6
Fish, pickled	25,330	89.6	25,971	94.6
Flour	107,267	90.6	73,983	85.0
Fruit, canned	13,303	30.8	11,229	26.0
Fruit, fresh	10,429	6.0	12,069	7.9
Groceries	56,595	22.9	80,943	26.4
Hams	20,982	8.5	16,508	33.3
Jams, jellies	4,613	20.1	2,575	21.5
Lard	9,588	22.2	1,676	20.7
Lard substitutes . . . . .	.....	.....	20,566	60.4
Milk, canned	53,801	53.3	70,327	60.7
Meat, canned	19,422	16.9	.....	.....
Mutton, fresh	24,013	29.8	24,473	27.0
Peas and beans	934	9.7	505	4.0
Pork, fresh	2,923	8.7	3,209	9.2
Pork, pickled	3,357	44.3	6,432	56.5
Potatoes, Irish	11,635	88.8	17,558	88.3
Poultry and game	37,847	29.4	29,064	27.6
Salt	3,420	56.4	4,510	69.8
Vegetables, canned	41,611	69.0	42,031	51.9
Vegetables, fresh	7,393	9.6	10,580	14.2
Yeast	2,704	22.6	4,291	32.7

The principal change in the value of imports of agriculture supplies is the sharp increase in imports into the Islands of mixed grains, Canada now supplying approximately 50 per cent of the mixed grains consumed. As in previous years Canadian exporters controlled the hay, oats, pollard and bran trade of the Islands, and there has been but little variation in this regard. It should be mentioned, however, that with the heavy reduction in tourist traffic there is not the same demand for horse-drawn vehicles for pleasure purposes, and many of the companies and individuals owning such equipment are having a difficult time.

Under the general heading of "food supplies" the chief change during the past year has been the heavy increase in imports from Canada of butter, which advanced in value from \$14,353 in 1938 to \$64,891 in 1939. Other alterations have been increases in imports of general groceries, lard and lard substitutes, and canned milk. The principal decreases recorded in purchases from Canada are in eggs—from \$40,650 in 1938 to \$23,740 in 1939—and flour which declined from \$107,267 to \$73,983 in 1939.

Owing to war conditions it is likely that in 1940 there will be considerable changes in the sources of food supplies to Bermuda, with Empire sources supplying the bulk of the food products.

BERMUDA EXPORT TRADE

The values of produce and manufactures of Bermuda exported to various countries during the calendar years 1938 and 1939 are as follows:—

	1938	1939
Total	\$174,553	\$174,504
Canada	55,464	63,250
United Kingdom	40,856	7,599
United States	76,007	101,809
British West Indies	1,663	2,405
Other countries	563	161

While the total value of exports of Bermuda produce and manufactures in 1939 was almost the same as in 1938, exports to Canada, valued at \$63,250, showed a gain of 14·3 per cent over the figure for the previous year. Exports to the United States were valued at \$101,089, a gain of 32·9 per cent, and shipments to the British West Indies, valued at \$2,405, increased by 44·6 per cent. On the other hand, exports to the United Kingdom, totalling \$7,599 in value, showed a loss of 81·4 per cent, and shipments to other countries declined from \$563 to \$161 in 1939.

PRINCIPAL EXPORTS TO CANADA

The principal commodities exported to Canada during the past year were: beets, \$1,042; cabbages, \$1,287; carrots, \$21,492; celery, \$32,385; onions, \$416; potatoes, \$1,390; and tomatoes, \$3,393.

Canadian manufacturers and firms dealing in food products, who desire information or assistance with respect to the Bermuda market, are invited to communicate with the Canadian Trade Commissioner, British Empire Building, Rockefeller Center, New York, N.Y.

GERMANY'S TRADE WITH NORWAY*

RICHARD GREW, CANADIAN TRADE COMMISSIONER

(Average value of the Norwegian krone was approximately 24 cents Canadian during 1938)

Oslo, February 24, 1940.—Until the year 1938 the United Kingdom had been the principal country of supply in the import trade of Norway, although Germany had always been a close second. During the last two years, however, the Norwegian imports from Germany have been greater in value than those from any other country.

The following table shows the value of imports from the United Kingdom, Germany and Sweden, the three principal sources of supply, together with the total import trade for the years 1936 to 1938 inclusive, as well as the percentage for each country:—

Imports into Norway by Principal Suppliers

	1936		1937		1938	
	1,000 Kroner	Per Cent	1,000 Kroner	Per Cent	1,000 Kroner	Per Cent
Total	926,982	.....	1,292,717	.....	1,192,650	.....
United Kingdom ..	164,948	17.80	236,472	18.29	193,295	16.21
Germany	163,344	17.62	219,067	16.94	219,708	18.43
Sweden	105,347	11.37	138,279	10.70	137,033	11.49

During the three years covered by this table Germany's exports to Norway increased by over 50,000,000 kroner. Exports from Austria are included in the German figures for 1937 and 1938; previously that country was listed separately.

IMPORTS FROM GERMANY

Imports from Germany into Norway consist of a very wide range of goods, most of which are either semi-manufactured or manufactured products. The following table shows the value of imports from Germany and of total Norwegian imports during the year 1938 in the main groups in which Germany is an important supplier:—

Imports from Germany in 1938 by Commodity Groups

	Imports from Germany		Germany's Share of Total Imports
	1,000 Kroner	Total Imports 1,000 Kroner	Per Cent
Yarn and thread, ropemakers' wares	3,232.8	28,690.9	11
Manufactured goods of spun materials	29,613.9	104,543.3	28
Hair, feathers, hides and skins, bone, horn and other animal products	1,475.1	18,176.6	8
Manufactures of hair, skin, bone, horn, etc.	1,654.4	6,080.2	24
Fats, oils, tar, rubber, etc.	2,824.4	83,572.6	3
Manufactures of fats, oils, rubber, etc.	1,970.6	9,533.3	21
Manufactured wooden goods	1,075.7	10,198.3	9
Dyes and paints	4,282.5	7,744.6	55
Paper pulp, paper and manufactures thereof	3,493.6	12,605.3	28
Other plant products and manufactures thereof	2,003.4	10,593.6	19
Minerals, raw and partly manufactured	12,668.1	136,083.8	9
Minerals, manufactured	17,203.1	46,066.9	37
Metals, raw and partly manufactured	7,722.4	65,097.8	12
Metals, manufactured	28,068.8	81,160.2	35
Ships, vehicles, machinery, etc.	93,169.8	304,503.3	31
Other articles	7,781.7	16,459.1	47

*It will be noted that this report was prepared by the Canadian Trade Commissioner at Oslo some six weeks before the German invasion of Norway. Because of the slowness of mails due to war conditions it did not reach Ottawa in time for publication before that event. It is felt that, in spite of the present disturbed condition of Norway, the report is worth present publication for the immediate interest of its information on Norway's peace-time imports from Germany and also for its possible future reference value as regards opportunities for supplying Norway with goods formerly purchased from Germany.—Editor.

It does not appear from the above table that Germany has an overwhelming share of any particular group, but it will be seen in figures given below that imports from Germany are much more important in some of the subdivisions of these groups. Some items in the groups listed above are for raw materials which Germany cannot supply; in some of the semi-manufactured and fully manufactured divisions, Germany's share is much larger.

In the following paragraphs imports from Germany are discussed by commodity groups. The figures used are for the calendar year 1938, which is the most recent year for which detailed statistics are available.

YARN AND THREAD, AND ROPEMAKERS' WARES

The following table shows the value of the principal imports in this group from Germany as well as the total imports and the percentage of the total from Germany:—

	Imports from Germany 1,000 Kroner	Total Imports 1,000 Kroner	Germany's Share of Total Imports Per Cent
Total imports	3,232.8	28,690.9	11
Natural silk, spun and not spun	589.1	757.9	78
Artificial silk, spun and not spun	386.1	1,890.3	20
Wool, undyed	329.8	6,617.3	5
Wool, dyed	696.3	2,939.5	24
Cotton, two-thread or more, dyed or printed	425.6	1,742.2	24
Linen and hemp yarn, two-thread or more, unbleached	196.5	912.7	22

The item in which Germany has the largest share is raw silk. As Germany is not an important producer of raw silk, it is likely that it is more in the nature of transit business through the port of Hamburg. It seems quite probable that, unless Germany has large stocks available, German supplies of most of the above items will show a considerable decline as the result of the economic blockade.

MANUFACTURED GOODS OF SPUN MATERIALS

Total imports under this heading amounted to 104,543,300 kroner, of which the German share was 29,613,900 kroner or 28 per cent.

The following table gives details of the most important items in this group:—

	Imports from Germany 1,000 Kroner	Total Imports 1,000 Kroner	Germany's Share of Total Imports Per Cent
Total imports	29,613.9	104,543.3	28
Silk and partly silk goods—			
Bands and belts of artificial silk	294.0	474.7	62
Lace, bobbinet, tulle, etc.	111.3	349.3	32
Stockings and socks of natural silk	112.3	342.0	33
Woven materials of natural silk	104.5	976.2	11
Stockings and socks of natural silk mixed with other materials	436.3	1,073.4	41
Stockings and socks of artificial silk	1,126.0	1,688.4	67
Clothing of artificial silk stockinet	351.8	623.8	58
Other articles of artificial silk	2,340.5	6,522.6	36
Artificial silk neckties	116.9	284.7	41
Clothing, etc., of pure or half-silk, without trimming	1,030.3	1,546.1	67
Clothing, etc., of pure or half-silk, with trimming	701.0	1,173.8	62
Woollen goods—			
Woollen felts for technical purposes	426.1	1,142.9	37
Other woollen felts	154.0	193.1	80
Woollen carpets	285.3	667.9	43
Woollen stockinet with embroidery, etc.	261.0	383.2	68
Woollen stockings and socks	982.8	2,065.0	47
Other woollen stockinet goods	1,395.5	2,745.7	51
Other woollen goods	7,537.1	21,716.1	35
Woollen clothing without trimming	556.2	1,202.9	46
Woollen clothing with trimming	1,455.8	2,305.8	63

MANUFACTURED GOODS OF SPUN MATERIALS—*Concluded*

	Imports from Germany 1,000 Kroner	Total Imports 1,000 Kroner	Germany's Share of Total Imports Per Cent
Cotton goods—			
Cotton materials weighing at least 100 grams per $\frac{1}{4}$ square metre	364.5	1,600.3	23
Velvet-woven cotton materials, including cot- ton plush	102.3	536.5	49
Cotton stockings and socks	297.1	568.3	52
Other cotton stockinet goods	599.8	2,084.7	29
Cotton stockinet goods trimmed with silk, etc.	133.0	319.4	41
Other cotton goods, printed	361.8	4,091.2	9
Other cotton goods, not printed	683.9	4,052.0	16
Other cotton goods, single coloured	191.7	5,209.1	4
Other cotton goods, bleached	111.8	3,130.2	4
Other cotton goods, unbleached	129.1	5,026.8	2
Cotton clothing, sewn, without trimming	414.4	1,580.4	26
Cotton clothing, sewn, with trimming	208.7	860.7	24
Miscellaneous manufactured goods—			
Woven materials of linen, hemp or jute	319.2	1,363.6	23
Rubber clothing	135.6	1,285.9	11
Men's collars, cuffs, shirt fronts, starched or unstarched	256.7	1,288.2	20
Zippers	209.3	527.0	40
Gloves of half-silk or kid	104.4	648.5	16
Gloves of cotton, linen or wool	411.8	505.9	81
Hats of felt, etc.	1,264.4	3,186.9	40
Other hats	638.9	1,115.1	57
Linoleum, etc	603.1	1,802.5	33
Ribbons and belts other than of silk and wool	233.3	390.8	60
Artificial flowers and parts	349.9	423.4	83

The figures in the above table show that in many artificial silk lines Germany supplied more than half the total imports. In natural silk goods, the proportion is not so great. As it should be difficult for Germany to obtain supplies of raw silk, German exports of silk hosiery may decline. During the first four months of the war, however, exports were maintained at a fairly even level. It may be that fairly large stocks of raw silk were on hand, but it should be difficult to replenish these supplies. If this is correct, there should be a better opportunity for Canadian silk hosiery which is already known in this market.

In the woollen group, better opportunities should exist for Canadian paper-makers' felts, if Canadian firms can supply. Germany supplied over a third of the imports, but it is thought that supplies will not be so readily available. Norway is a large importer of woollen socks and stockings, and opportunities for such lines from Canada should be improved.

Although supplies of rubber clothing from Germany are not an important item in the trade of the two countries, the quantity is likely to decline, and Canadian products might benefit.

HAIR, FEATHERS, HIDES AND SKINS, BONE, HORN, ETC., AND MANUFACTURES THEREOF

The following table shows the imports from Germany and total imports of hair, feathers, hides and skins, bone, horn, etc., and manufactures of these articles:—

	Imports from Germany 1,000 Kroner	Total Imports 1,000 Kroner	Germany's Share of Total Imports Per Cent
Hair, feathers, etc.—			
Total imports	1,147.1	18,176.6	8
Prepared skins, loose, all kinds	399.2	1,405.2	28
Skins, alum-tanned, etc., weighing more than 2 kilograms each	118.9	380.5	31
Skins, alum-tanned, etc., weighing less than 1 kilogram each	577.4	3,339.9	17

	Imports from Germany 1,000 Kroner	Total Imports 1,000 Kroner	Germany's Share of Total Imports Per Cent
Manufactures of hair, feathers, etc.—			
Total imports	1,654.4	6,080.2	24
Brushmakers' wares of unpolished wood or metal, all kinds	208.1	395.5	53
Other brushmakers' wares	180.1	345.4	52
Footwear of other material or felt	249.9	787.0	32
Footwear of leather	619.6	2,447.7	25
Saddlery	130.3	606.0	21

Germany's share in articles under this heading are not so important. Possibly the item which is of most interest to Canada is skins weighing less than one kilo each, the total imports being over \$800,000.

FATS, OILS, TAR, RUBBER, ETC., AND MANUFACTURES THEREOF

As Germany is deficient in most articles in this group, imports of them have not been large. Under war conditions it is likely that they will decline. The following table gives the figures for 1938:—

	Imports from Germany 1,000 Kroner	Total Imports 1,000 Kroner	Germany's Share of Total Imports Per Cent
Fats, oils, tar, rubber, etc.—			
Total imports	2,824.4	83,572.6	3
Volatile oils (with the exception of gasoline), including white spirit	125.0	173.7	72
Other volatile oils	184.7	475.4	39
Castor oil and other fatty animal oils	138.3	830.9	17
Fatty mineral oils	866.1	4,743.8	18
Vaseline and cart grease	138.0	469.5	29
Varnishes and polishes, not containing alcohol	243.2	923.1	26
Mineral tar oils and their compounds	133.4	589.1	23
Resin	162.8	877.1	19
Isinglass and gelatine	139.8	154.8	91
Glue	156.3	798.5	20
Manufactures of fats, oils, tar, rubber—			
Total imports	1,970.6	9,533.3	21
Soap, all kinds	202.9	979.2	21
Printing dyes, other than black	236.4	431.2	55
Rubber hose	111.1	481.4	23
Rubber sheets, braids, etc.	205.1	1,126.0	18
Canvas shoes with rubber soles	229.9	605.5	38
Miscellaneous rubber goods	412.6	912.6	45

In items such as rubber hose and rubber sheets there appear to be the best possibilities for Canadian products to replace those from Germany.

MANUFACTURED WOODEN GOODS

Norway is lacking in many kinds of hardwoods, and hence they must be imported. Germany, however, is not in a position to supply, and imports are relatively unimportant, as the following table will show:—

	Imports from Germany 1,000 Kroner	Total Imports 1,000 Kroner	Germany's Share of Total Imports Per Cent
Total imports	1,075.7	10,198.3	9
Trays, bowls, etc., varnished or polished	114.2	232.1	49
Cabinetmakers' wares of oak, ash or beech	108.7	432.1	25

DYES AND PAINTS

Germany is an important source of supply of items in this group, particularly of dyes. The following table shows the principal imports from Germany under this heading:—

	Imports from Germany 1,000 Kroner	Total Imports 1,000 Kroner	Germany's Share of Total Imports Per Cent
Total imports	4,282.5	7,744.6	55
Aniline and alizarin dyes	2,462.7	3,224.7	76
Ochre, umbra, etc.	194.8	426.5	45
Ground chalk, barytes, etc.	164.9	541.2	30
Other dutiable dry painters' dyes	999.6	1,348.9	75

PAPER PULP, PAPER AND MANUFACTURES THEREOF

Although Norway is an important producer of pulp and paper products, the following table shows that there is a fairly important import trade in this group:—

	Imports from Germany 1,000 Kroner	Total Imports 1,000 Kroner	Germany's Share of Total Imports Per Cent
Total imports	3,493.6	12,605.3	28
Writing, drawing and copying paper	122.5	231.0	53
Photographic paper	241.3	580.1	42
Coated cardboard and paper	210.7	375.1	55
Other paper	777.6	2,139.8	36
Wallpaper	265.3	571.3	46
Patterns, visiting cards, paper bags, etc., not printed	180.0	314.3	56
Letter envelopes, all kinds	136.2	189.1	72
Forms, labels, etc., printed	171.4	370.7	46
Forms, labels, etc., not printed	114.1	233.3	49
Miscellaneous manufactures of cardboard and paper, etc.	293.6	594.8	49

While it is likely that some of these products are manufactured in Canada, the best opportunity would seem to be in wallpaper. Most Canadian firms are already represented in Norway; but if supplies from Germany are difficult to procure, the Canadian share of this market may improve.

OTHER PLANT PRODUCTS AND MANUFACTURES THEREOF

As the following table will show, opportunities in this group do not appear important:—

	Imports from Germany 1,000 Kroner	Total Imports 1,000 Kroner	Germany's Share of Total Imports Per Cent
Total imports	2,003.4	10,593.6	19
Live trees, bushes, etc.	144.6	669.0	22
Manufactures of celluloid, cellophane, etc.	201.9	348.0	58
Unexposed films	845.5	1,742.9	48
Exposed cinema films	101.4	604.3	17
Other manufactures of celluloid	309.5	582.8	53
Insect powder, as well as insect, weed and fungus destroying preparations	155.7	373.2	42

With the possible exception of insect powders, none of the items mentioned are important articles of Canadian export trade.

MINERALS, RAW AND PARTLY MANUFACTURED

With the exception of alumina, coal and cinders, German exports under this heading do not attain large proportions. The following table shows the chief imports in this group from Germany:—

	Imports from Germany 1,000 Kroner	Total Imports 1,000 Kroner	Germany's Share of Total Imports Per Cent
Total imports	12,668.1	136,083.8	9
Alumina (aluminium oxide)	4,116.4	14,968.0	27
Gypsum, pulverized, in sacks	194.7	210.7	92
Other kinds of stone	287.9	736.1	39
Asphalt, bitumen and manufactures thereof	345.9	1,543.4	22
Coal	3,206.6	54,301.3	6
Cinders	1,985.7	11,173.7	18
Pitch coke	927.1	2,295.0	40
Burnt clay	176.1	353.4	50
Other kinds of earth and clay	146.2	399.5	36
Common salt, in bulk	174.1	3,879.0	5
Common salt, in packing	369.5	1,329.3	28
Rock salt for industrial purposes	282.1	796.0	35

As Canada exports considerable quantities of alumina to Norway, and German production may be required for domestic consumption, some increase might be possible in shipments from Canada.

MINERALS, MANUFACTURED

The articles in this group comprise a wide range of products, as will be seen from the following figures:—

	Imports from Germany 1,000 Kroner	Total Imports 1,000 Kroner	Germany's Share of Total Imports Per Cent
Total imports	17,203.1	46,066.9	37
Tiles, glazed and unglazed	382.7	1,250.3	31
Fireproof stone, more than 55 mm. thick	314.1	1,102.7	28
Fireproof stone, less than 55 mm. thick	125.1	256.7	49
Porcelain insulators, all kinds	585.3	754.2	78
Sanitary goods, etc., of earthenware	186.5	663.6	28
Other earthenware articles, except tiles	907.9	2,682.4	34
Other articles of porcelain, etc.	785.9	1,285.0	61
Miscellaneous glass bottles, etc.	559.6	778.8	72
Glass in sheets, not foliated but otherwise cut, patterned and coloured	293.5	814.5	36
Burning glasses, magnifying glasses, lenses, etc.	100.6	117.0	86
Other optical glasses	117.5	199.3	59
Lamp chimneys, lamp globes and lamp shades	294.2	612.9	48
Glassware, cut, etched, etc.	786.5	793.2	36
Other miscellaneous glassware	704.9	1,271.3	55
Miscellaneous mirrors	162.2	260.0	62
Cement	173.3	981.9	18
Penholders (not of wood), mechanical pencils, fountain pens, etc.	172.0	312.1	55
Other pencils and pencil leads	256.5	439.2	58
Carbon electrodes	477.0	1,908.2	25
Potash fertilizers, 40 per cent	1,187.4	2,735.8	43
Other potash fertilizers	218.1	504.1	43
Basic slag	118.2	434.1	27
Bullets	346.8	666.8	52
Gun caps	366.7	384.3	95
Sulphuret of carbon and similar materials	110.2	230.1	48
Caustic potash in solid form	332.6	494.7	67
Potash lye	129.9	284.8	45
Caustic soda	313.7	679.3	46
Metal oxides	127.3	337.7	38
Chloride of lime	311.1	1,391.1	22
Potash	123.5	221.5	56
Calcined carbonate of soda	525.3	635.7	83
Glauber's salt	168.6	500.2	34
Liquid glass	202.6	222.5	91
Liquid chlorine	1,022.4	1,031.7	99
Bleaching earth	141.0	320.9	44
Other various salts	896.5	1,467.7	61
Glycerine	242.6	828.2	28
Glycol	167.8	253.3	66
Chemicals of various kinds	268.5	625.1	43
Raw materials for technical purposes, etc.	608.1	1,115.6	55

METALS, RAW AND PARTLY MANUFACTURED

In this group, Germany does not export any raw metals, although exports of certain types of iron sheets reach considerable proportions. The following table gives detailed figures:—

	Imports from Germany 1,000 Kroner	Total Imports 1,000 Kroner	Germany's Share of Total Imports Per Cent
Total imports	7,722.4	65,097.8	12
Pig-iron	262.3	1,333.0	19
Steel, bar iron and bolt iron, more than 10 mm., etc.	293.2	3,382.1	8
Steel, bar iron and bolt iron, other kinds	298.8	5,156.7	6
Iron sheets, 3 mm. thick or more	2,253.4	7,614.0	30
Iron sheets, less than 3 mm. thick	460.7	5,267.3	9
Iron sheets, tin-coated (tin plates)	2,930.0	4,408.7	66
Copper and bronze in sheets	144.6	592.6	24
Silver in sheets	343.0	1,009.1	34

METALS, MANUFACTURED

Norwegian imports under this heading include a wide variety of products. Germany's share is approximately 35 per cent of the value of the total imports. The figures below mention the most important products which are imported from Germany:—

	Imports from Germany 1,000 Kroner	Total Imports 1,000 Kroner	Germany's Share of Total Imports Per Cent
Total imports	28,068.8	81,160.2	35
Hoop-iron	647.7	3,014.6	21
Extension bolts for tramways, railway lines, etc.	545.5	684.4	82
Wheels and axles	700.1	1,258.6	56
U-iron and H-iron	454.5	3,038.9	15
Angle iron and T-iron	728.9	2,745.2	26
Other profile iron	714.4	1,142.3	63
Springs weighing 1 kilogram or more each	165.3	381.4	43
Tanks and containers	259.6	822.4	31
Other manufactures of sheet iron 3 mm. or more in thickness	155.1	511.4	30
Screws and nuts, etc., having a diameter of 13 mm. or less	226.6	612.8	37
Cast iron pipes and fittings	802.9	2,755.9	29
Forged iron pipes and fittings	1,140.2	3,307.6	34
Steel pipes and fittings	909.1	2,865.5	32
Valves	261.2	658.9	40
Ovens, grates, with or without enamel	162.7	443.2	37
Stoves, with or without enamel	370.1	509.9	33
Cast iron boilers for heating by steam or water	364.0	735.4	49
Miscellaneous heating apparatus	114.3	212.9	54
Casks	227.0	236.8	92
Household goods of cast iron	180.1	214.8	56
Other ovens, grates, etc.	350.7	1,092.0	32
Anchors, grapnels, chains and chain links	432.8	1,274.3	34
Baths	434.9	622.7	70
Sinks and pans for wash stands	174.4	309.7	56
Framework, mills, etc.	192.5	688.2	28
Rolled wire	564.9	2,878.1	20
Black, drawn wire	156.9	576.4	27
Galvanized, drawn wire, copper coated	1,271.4	2,567.6	49
Drawn, polished wire	443.5	1,396.6	32
Rope of steel and iron wire	103.1	461.7	22
Fencing gauze of steel and iron wire	316.0	789.8	40
Other manufactures of steel and iron wire	321.5	691.6	47
Pocket knives, safety razors, etc.	432.2	1,133.2	38
Knives and forks with handles of fibre, wood, etc.	135.8	680.0	20
Corkscrews, scissors, locks, etc.	597.3	726.6	82
Thimbles and sewing-rings, etc.	440.6	835.9	53
Hooks and eyes, pins	289.3	426.4	68
Tongs	147.6	254.2	58
Miscellaneous tools and implements	1,758.1	4,958.6	35

	Imports from Germany 1,000 Kroner	Total Imports 1,000 Kroner	Germany's Share of Total Imports Per Cent
Typefounders' wares, common type, etc.	240.4	290.7	83
Miscellaneous manufactures of iron, nickel-coated, polished, etc.	633.9	1,353.7	47
Manufactures of iron, bronze coated, tin coated, etc., scales	199.3	368.4	54
Other manufactures of iron, n.o.p.	1,325.6	2,635.4	50
Miscellaneous manufactures of iron	677.4	2,282.2	30
Gauze and wire of copper and bronze.	222.8	650.2	34
Pipes and fittings of brass	111.4	417.1	27
Wire of other metals than iron and copper	267.4	489.6	55
Bells, bushes, etc., weighing 1 hectogram or less	144.8	291.9	50
Bushes, etc., weighing more than 1 hectogram, armature	379.9	1,010.4	37
Miscellaneous manufactures.	196.3	340.6	58
Trinkets, not gilded or silver coated.	112.2	296.1	37
Bronze powder	166.9	202.6	82
Other manufactures of copper, gilded, silver coated	243.1	485.2	50
Other manufactures of copper, nickel coated . .	554.7	990.9	56
Miscellaneous manufactures of copper	1,017.6	2,272.1	45
Aluminium ware	344.3	854.2	40
Cartridge cases.	126.5	140.9	90
Articles of gold	154.6	203.5	76
Articles of silver	337.9	422.6	79

In many of these items, it will be seen that the German share is considerably more than the average for the whole group.

SHIPS, VEHICLES, MACHINERY, ETC.

Out of total imports in this group valued at 305,503,300 kroner, Germany's share amounted to 93,169,800 kroner or 31 per cent. The following table gives details of the different items under this heading:—

	Imports from Germany 1,000 Kroner	Total Imports 1,000 Kroner	Germany's Share of Total Imports Per Cent
Total imports	93,169.8	304,503.3	31
New motor ships of steel.	36,454.8	114,515.4	33
Old motor ships of steel.	3,189.7	23,765.0	13
Automobiles, new, complete	6,631.5	18,841.1	35
Chassis for automobiles	102.5	467.0	22
Other motor vehicles, etc., new	1,125.4	11,641.9	10
Motor cycles and side-cars, new	868.2	1,280.2	68
Motors for automobiles and motor cycles . . .	370.8	1,268.9	30
Motors for aeroplanes	122.5	176.4	69
Axles and other parts for automobiles and aeroplanes, etc.	1,194.3	7,523.6	16
Electro-motors and parts	1,579.3	3,900.0	40
Generators and parts	1,406.1	2,787.6	50
Transformers and parts	672.5	960.5	70
Converters and rectifiers.	198.2	333.7	59
Vacuum cleaners and parts	313.7	862.2	36
Other electrical machinery and apparatus . .	1,202.8	2,407.1	50
Large electric switches and parts.	1,458.8	1,925.0	76
Electric switches for houses.	502.1	510.0	98
Lamp holders without switches	1,016.7	1,082.7	94
Electric ranges of iron or stone	279.7	338.3	83
Radio receiving sets	760.0	3,907.0	19
Lamps for radio receiving sets, etc.	261.1	1,157.6	23
Other apparatus for broadcasting, etc.	147.5	467.8	32
Apparatus and parts for wireless telegraphy and for broadcasting	410.2	1,182.1	35
Automatic telephones and parts	167.7	569.3	29
Other electrical apparatus and parts.	951.1	2,659.0	32
Incandescent lamps.	768.0	2,103.6	36
Cables covered with lead, diameter up to 40 mm.	740.6	1,003.5	74
Cables covered with lead, diameter from 40 to 80 mm.	1,285.9	1,462.6	88
Other dutiable or duty free electric wires. . .	675.5	1,261.7	54
Accumulators and parts.	231.7	977.1	24

SHIPS, VEHICLES, MACHINERY, ETC.—*Concluded*

	Imports from Germany 1,000 Kroner	Total Imports 1,000 Kroner	Germany's Share of Total Imports Per Cent
Other parts for electrical machinery and apparatus	741.5	1,397.0	53
Steam engines, steam turbines and parts	422.1	889.3	47
Locomotives and parts, steam and gasoline	144.2	289.9	50
Water turbines and parts	209.9	504.7	42
Diesel engines, stationary	205.0	547.7	38
Diesel engines for boats	328.0	676.8	49
Parts for all kinds of gasoline and other motors	213.9	1,518.1	14
Dairy machines and parts	130.0	458.2	28
Footwear machinery and parts	760.1	600.2	43
Textile machines	590.3	1,237.1	48
Parts for textile machines	239.2	442.2	54
Miscellaneous wood-working machines and parts	112.4	481.6	23
Other machines for pulp mills and pulp factories	204.0	615.8	33
Paper machines and parts	1,089.7	1,589.4	68
Lathes and parts	291.9	790.8	37
Cutting machines and parts	299.9	449.1	67
Grinding machines and parts	144.6	349.7	41
Miscellaneous tool machinery and parts	824.7	1,334.7	62
Evaporators and parts	140.0	301.5	46
Refrigerating plants, etc., and parts	155.0	776.1	20
Ball mills and parts	371.4	454.8	82
Machine pumps and parts	480.7	1,473.3	33
Cash registers	151.0	501.2	30
Typewriters	362.3	1,486.8	24
Knitting machines	311.0	800.9	39
Sewing machines	500.0	2,626.5	19
Printing machines and parts	873.9	1,999.0	44
Miscellaneous machines	6,129.2	13,885.3	44
Ball bearings and roller bearings	187.7	971.2	19
Transmission parts, finished	256.7	645.2	39
Miscellaneous machinery parts	2,291.8	5,148.7	45
Machine packing	117.1	692.3	17
Electric meters	942.2	1,436.4	64
Other technical measuring and control apparatus	1,259.0	2,575.5	49
Parts for bicycles	892.9	1,774.3	50
Pianos	242.6	295.5	82
Miscellaneous musical instruments	301.6	612.3	49
Gramophones	211.0	631.6	33
Spectacles and lorgnettes	150.7	282.5	53
Binoculars, telescopes and microscopes	312.4	473.8	66
Photographic cameras	360.5	465.6	79
Wrist watches of gold	188.6	717.2	26
Wrist watches and pocket watches of other metals	141.6	1,207.4	12
Other watches and clocks	711.6	998.8	71

The most important item in this group is ships, and it will be noted that one-third of the total imports came from Germany. Automobiles are also an important item imported from Germany into Norway. In electrical equipment and machinery, Germany supplies frequently more than half of the total imports. In various other types of machinery, Germany supplies an important share.

OTHER ARTICLES

In the final group, details of which are given below, the most important item is drugs, of which 47 per cent of Norwegian imports come from Germany.

	Imports from Germany 1,000 Kroner	Total Imports 1,000 Kroner	Germany's Share of Total Imports Per Cent
Total imports	7,781.7	16,459.1	47
Drugs	2,294.4	4,848.1	47
Toys, all kinds	394.9	750.8	53
Buttons and button moulds	825.4	1,552.4	43
Lamps, etc., of copper, tin, etc.	974.6	1,857.7	50

	Imports from Germany 1,000 Kroner	Total Imports 1,000 Kroner	Germany's Share of Total Imports Per Cent
Other lamps.	693.0	1,017.7	68
Cases, etc., of paper	171.8	279.5	62
Cases, etc., of leather or silk	394.9	530.8	74
Cases, etc., of canvas and similar materials.	252.1	465.7	54
Manufactures of bakelite	172.7	343.3	50
Books, unbound	274.5	1,103.3	25
Books, bound.	168.1	736.9	23
Lithographic products, etc., two or more colours, printed.	250.6	468.2	54
Other articles, not specially mentioned	147.7	472.3	31

DELIVERIES FROM GERMANY

The effort of Germany to maintain and develop its export trade with those countries which do not come within the scope of the blockade is well known. The blockade of German exports to overseas countries makes a larger production available to those countries with which Germany can still trade, and there is no doubt that a strong drive has been made to expand exports to the greatest possible degree. While prices have increased in some instances, the advance has not been so general as might be expected. One serious problem is the question of delivery, owing to the transportation difficulties in Germany.

HAY SITUATION IN THE WEST COAST STATES

B. C. BUTLER, CANADIAN TRADE COMMISSIONER

Los Angeles, April 8, 1940.—The principal Western hay markets were quiet at the end of March and beginning of April, and the volume of trading was comparatively small. A steadier tone was in evidence during the first week of April, and prices on principal alfalfa grades rose slightly.

LOS ANGELES

There was a somewhat stronger tone at Los Angeles, and alfalfa prices were firmer. However, there is a larger supply of green feed than usual, due to the rains, and demand from the dairy trade for new cropped hay has been deferred pending larger offerings. The new crop offerings have so far been comparatively small, prices ranging from \$10.50 to \$11 per ton, baled at the ranch, for No. 2 leafy or better alfalfa. Stocks of old crop hay were in better demand, and supplies, including shipments damaged by rain last autumn, were considerably reduced. Prices for old crop hay at local terminals range from \$8 to \$12.50 per ton, depending on quality.

Harvesting of the new crop is well advanced in Southern California, although cutting and baling operations are impeded by light rains.

SAN FRANCISCO

The alfalfa markets in San Francisco and other Central California points were seasonally dull in anticipation of the new crop. Offerings were slightly larger and demand was low. Unusually large supplies of green feed, further declines in butter fat prices, and increased competition from barley, copra and linseed meals also limited interest in alfalfa. A few cars moved from Central California to the New York market via rail to Galveston, thence by water. San Francisco shippers were unable to obtain space in ships for direct movements to the East Coast.

The new crop hay is rapidly approaching maturity in Central California, and harvesting has begun in certain sections, although operations have been interrupted by heavy rains, and the quality is believed to have been lowered. Some of the hay is badly damaged. In almost all sections the new crop seems weedier than usual, and while total acreage is larger than a year ago, yields per acre on the first cutting are expected to be smaller than average. The new crop alfalfa appears to have fared somewhat better.

PACIFIC NORTH WEST

The alfalfa market is very quiet. Demand in both Portland and Seattle was easier, due to rapidly improving pasture conditions. The Seattle price is \$10.50 per ton for both No. 1 and No. 2 green alfalfa, f.o.b. inland shipping points. At Portland the price for No. 1 is \$15.50 per ton, for oats and vetch (mixed hay), \$10; and for timothy, \$13. Trading in all these varieties at Portland was extremely light.

ARIZONA

Pastures were in fairly good condition despite continued dry weather. Harvesting of the new crop is expected to be under way shortly. Supplies of old crop hay held by farmers are believed to be small, and prices range from \$9 to \$12 per ton. The following table shows prices of alfalfa per ton in carlots, as at April 8, at principal Western points:—

	Los Angeles	San Francisco	Kansas City	Portland
U.S. No. 1, extra leafy . . . . .	.....	.....	\$22.00-24.00	.....
U.S. No. 1	\$14.00-14.50	\$12.50-13.00	16.50-18.00	\$15.50
U.S. No. 2, leafy	13.00-14.00	11.50-12.00	14.50-16.00	.....
U.S. No. 2	11.00-11.50	10.50-11.00	11.50-14.00	.....
U.S. No. 3 . . . . .	.....	.....	8.50- 9.50	.....

No. 1 barley hay, f.o.b. Los Angeles, was quoted at \$12 to \$13 per ton, and No. 1 oat hay at \$14 to \$15 per ton.

WHEAT AND FLOUR TRADE OF COLOMBIA

H. W. BRIGHTON, CANADIAN TRADE COMMISSIONER

Panama City, April 9, 1940.—In 1931, with a view to developing agriculture in Colombia, the Government established the Ministry of Agriculture. This department did not function actively until 1934, but since then has played an increasing part in the development of agriculture in Colombia. It has established at La Picota, Medellin and Palamira experimental farms, which are also used as agricultural colleges, and has actively conducted a campaign to educate the people to produce more agricultural products suitable to their respective districts and thus reduce the imports of foodstuffs by a corresponding amount.

WHEAT

The ultimate aim of the Colombian Government is to produce sufficient wheat to take care of the country's requirements. Up to the present, production has not equalled the local demand even in the interior, and it is doubtful whether it will be found economical to use the wheat produced in the interior for milling at the coastal centres, since the cost of transportation, which prevents its use at present, will no doubt prevent its use in the future. While production is increasing, consumption also is increasing, and the country in the main is not a wheat producing territory. It is thought, therefore, that Colombia will always be an importer of wheat to about the same extent as at present.

PRODUCTION

Climatic conditions in Colombia vary extensively according to the altitude. They range from torrid on the coast to temperate and, gradually, to cold on the high table-lands of the interior. It is on the high table-lands where wheat, barley and oats can be, and are being, grown to advantage.

In 1928 the area sown to wheat amounted to 150,000 acres and the crop yield was 1,300,000 bushels. Production in 1934 amounted to 3,660,000 bushels, in 1935 to 3,800,000 bushels, and in 1936 to 4,815,000 bushels.

IMPORTS

The following table shows the imports of wheat into Colombia in the four years 1935 to 1938 inclusive:—

	1935 Bushels	1936 Bushels	1937 Bushels	1938 Bushels
United States	343,000	28,000	51,000	406,000
Canada	120,000	533,000	495,000	175,000
Chile	18,000	200	100	.....
Holland	5,000	.....	.....	.....
Denmark	700	.....	.....	.....
Spain	15	.....	.....	.....
Ecuador	10	300	.....	.....
Brazil	4	.....	.....	.....
France . . . . .	.....	2,500	.....	.....
United Kingdom . . . . .	.....	.....	1,000	.....
Argentina . . . . .	.....	34,000	4,000	.....
British India . . . . .	.....	.....	.....	10,000
Indo-China . . . . .	.....	.....	.....	2,000

Although the above statistics indicate that the United States is a large wheat exporter to Colombia, practically all of the wheat imported actually originates in Canada. As there is no regular direct steamship service from Canadian ports to Colombia, shipments of Canadian wheat are made by United States firms from United States ports; consequently the identity of the wheat is lost. The import duty on wheat is 0.08 peso per kilo, which is approximately \$1.15 per bushel with exchange at the present rate of 1.74 peso to the United States dollar.

FLOUR

The flour-milling industry in Colombia is fairly extensive. In 1936, the last year for which statistics are available, there were 76 mills, representing an investment of \$1,860,000. These mills in the main are small and are located in the producing areas of the interior in order to minimize the cost of transportation, which is very high owing to the mountainous nature of Colombia.

IMPORTS

The following table gives the flour imports into Colombia for the years 1935 to 1938 inclusive, showing countries of origin:—

	1935 Bbls.	1936 Bbls.	1937 Bbls.	1938 Bbls.
United States	2,684	4,046	3,215	6,742
Panama	1,058	924	2,360	2,030
Venezuela	174	33	67	....
Brazil	27	59	35	5
Chile	11	10	....	....
Curacao . . . . .	.....	82	....	7
Ecuador . . . . .	.....	8	16	....
Australia . . . . .	.....	.....	....	479
Netherlands . . . . .	.....	.....	....	14
Canal Zone . . . . .	.....	.....	....	172
Total	3,954	5,162	5,693	9,449

Colombia is not a large purchaser of flour. As in the case of imports of wheat, the imports of flour are almost entirely for consumption at or near the coastal ports or are of a special type for a specific purpose, such as blending. Generally, the high cost of transportation prevents the sale of imported flour in the interior and the sale of locally milled flour in the coastal areas. As the single exception, flour could be imported into the Cali district in the event of a wheat shortage there as transportation in that particular instance would not be prohibitive.

The duty on flour is 0.18 peso per kilo, which is approximately \$9.24 Canadian per barrel of 196 pounds. It will be observed that the import statistics show no imports from Canada. As in the case of wheat again, some of the flour imported is actually milled in Canada and exported to Colombia by United States shippers. In recent years, however, Canadian prices have been higher than those quoted by United States firms, and Canadian mills have not been able to obtain any business direct. Unless direct shipping facilities become available in the future it is not likely that Canadian suppliers will capture much, if any, of the small flour market in Colombia.

FLOUR TRADE OF VENEZUELA

H. W. BRIGHTON, CANADIAN TRADE COMMISSIONER

Panama City, April 10, 1940.—According to Venezuelan statistics there is no wheat imported into Venezuela. Further, there is practically no wheat grown in the country, although the Venezuelan Government for some years has been conducting experiments with a view to developing a variety of wheat adaptable to interior regions where it is believed it would grow successfully. The purchasing power of the natives of Venezuela generally is low and the cost of transportation is very high. Consequently, unless wheat can be produced in the interior, only the people living close to the ports will provide a market for imported wheat or flour. Further only if a milling industry is established at the ports, as has been the case in neighbouring Colombia, will there be a market for wheat.

FLOUR IMPORTS

Imports of flour into Venezuela amounted to 190,843 barrels of 196 pounds in 1935, 212,126 barrels in 1936, and 248,081 barrels in 1937, the latter year being the last for which statistics are available.

All the flour imported into Venezuela is shown in the statistics of that country as coming from the United States. It is well known, however, that a fairly substantial proportion of the flour imported from the United States, although it arrives in bags bearing the names of United States firms, actually originates in Canada. As it is exported by United States firms and shipped from United States ports it loses its identity and is shown as being of United States origin. Several Canadian millers have their own agents in Venezuela and market Canadian flour as such. Here again, as this flour has to be shipped from United States ports owing to the lack of regular steamship services from Canadian ports, it also loses its identity as Canadian flour. According to Canadian statistics, Canada exported to Venezuela 29,389 barrels in 1935, 28,610 in 1936, and 30,321 barrels in 1937.

The duty on flour imported from the United States and Canada is 0.24 bolivar per kilo, which is equivalent approximately to U.S.\$6.92 per barrel with exchange at the present rate of 3.19 bolivars to the United States dollar.

BAKERY TRADE

The bakery trade is largely confined to small organizations using wood-fuel ovens and they prefer a white starchy type of flour. There is a tendency, however, towards the development of larger baking concerns and towards the use of Venezuelan fuel oil because of its availability and cheapness.

Some of the larger importers prefer to import their flour requirements under their own brand, but the market generally does not insist upon special brands and mill brands are quite acceptable. In the long run the sale of mill brands is good advertising for foreign millers.

Flour consumption is largely confined to the areas immediately adjacent to the ports where rail and road transportation facilities are available. The major portion of the population of Venezuela do not consume flour because of its comparative high cost. The climate of Caracas, the capital city, permits flour to be kept for a considerable time; but in the more humid regions, such as at the ports of Maracaibo and Puerto Cabello, flour cannot be kept long and smaller and more frequent shipments are desired.

SHIPPING DOCUMENTS

In preparing the shipping documents exporters to Venezuela must take great care to state on the consular invoice the exact gross weight of the shipment involved. Any inaccurate statement as to the gross weight definitely means a fine. Importers have to pay this fine; but they will not stand the loss and will demand that the amount be deducted from the value of the draft presented. As a rule they will not effect settlement until the amount of the fine has been deducted. If it is necessary for the bank to obtain authority from the exporter to deduct the amount of the fine involved, the result may be considerable delay. An allowance of two per cent is permitted by the customs authorities on the declared gross weight. Care must also be taken to make certain that the shipping documents are in the hands of the consignee on or before the arrival of the flour; otherwise he will incur an additional fine. As in the case of inaccurate weight declaration, the importer also will refuse to pay this fine out of his own pocket and before paying the accompanying draft will demand that the amount involved be deducted. These two points have caused a great deal of trouble in the past. Canadian exporters are strongly urged to exercise greater care in future in the handling of shipping documents if they wish to retain the good-will of the Venezuelan flour importers. The latter are favourably inclined towards Canadian flour at the present time, but their good-will can, and will, be lost by lack of attention to these two requirements.

WHEAT AND FLOUR TRADE OF NICARAGUA, COSTA RICA AND PANAMA

H. W. BRIGHTON, CANADIAN TRADE COMMISSIONER

Panama City, April 10, 1940.—The original cereal foods of the peoples of Nicaragua, Costa Rica and the Republic of Panama are corn and rice. These foods still form the major portion of their diet, but there has been an increasing tendency to consume less corn and more rice and to make use of wheaten products. At present rice is consumed in the largest quantity. Nicaragua and Costa Rica import the bulk of their rice requirements; Panama, with a production of 30,000 metric tons, is rapidly reaching the point where it will be self-sustaining in this product.

While the Nicaraguan can obtain his favourite dishes of tortilla and pinoleo, which are made from locally produced corn and cacao and, therefore,

are relatively cheap, he is not likely to turn to wheat flour quickly. However, as the mines on the Atlantic coast are substantial buyers of flour, it may be expected that the Nicaraguan gradually will develop a taste for wheat flour products, such as bread, macaroni, spaghetti and noodles. Further, it may be expected that the use of wheat flour will gradually spread in Nicaragua as well as in Costa Rica and Panama with the development of more highways and roads, which will permit of a wider distribution at a more reasonable cost than is now possible.

PRODUCTION OF WHEAT AND FLOUR

Wheat is not grown in any of these three countries, nor is it likely that it ever will be, unless in a limited area of Nicaragua, since climatic and soil conditions are not favourable. Flour milling has been attempted in the Republic of Panama, but the experiment was not a success. There is no flour mill in the Republic of Costa Rica and the one small mill located in Nicaragua operates only sporadically and is of minor importance in the flour trade. This mill tried importing wheat for milling, but it was apparently decided that a more satisfactory grade of wheat flour is obtained by importing flour from Canada or the United States. No wheat has been imported into Costa Rica since 1937, according to the official statistics.

BAKING INDUSTRY

The baking industry in these three countries in general is inefficient and old-fashioned. With the probable exception of one electrically operated bakery in San Jose, Costa Rica, and one modern bakery in Panama, the ovens used are of old types, incapable of being maintained at a fixed heat, the heat being derived from various types of fuel, including wood and oil.

Bread of various types and macaroni products in a generally accepted form are produced and meet existing local demands, but the dough is mixed by rule of thumb methods with no definite procedure as to the quantity and quality of the ingredients used. The rising time of the dough is cut as short as possible and it is not worked enough to allow sufficient gas to escape. As a result the finished product varies greatly in taste and quality, and at the same time the bakers have no accurate means of determining their yield from the quantities of ingredients used.

QUALITY OF FLOUR REQUIRED

As a natural corollary of the baking methods employed, it follows that the quality of wheat flour is in the main of minor importance in these three markets. As a general rule price is the dominating factor. Most bakers will buy the cheapest flour they can obtain or, in the case of very small bakers, the flour supplied by the importer who will grant the longest and most lenient terms of payment. The consideration of next importance in these three republics is that the flour be "quick rising." Dough is not generally permitted a rising period of longer than four or five hours, and during this period and at its termination the dough is not worked as it should be. Therefore, a quick even-rising dough is desired. These results seem to be obtained more often from a flour weak in gluten and which may or may not be economically treated. Bakers are not well informed regarding different varieties and quality of flour, their opinions and choices being reached on the basis of price and their own experience.

IMPORTS OF FLOUR

The table below shows total imports of wheat flour into Nicaragua, Costa Rica and Panama in barrels of 196 pounds during the years 1933 to 1938 inclusive.

These three countries, especially Nicaragua, have been unable during recent years to purchase and pay for as much wheat flour as would be the case in more prosperous times.

	Panama Bbls.	Nicaragua Bbls.	Costa Rica Bbls.
1933	Unknown	50,074	85,943
1934	85,907	54,342	101,551
1935	87,316	45,542	70,922
1936	85,856	34,559	82,505
1937	98,064	33,255	82,640
1938	93,210	27,430	100,632

The rates of duty on wheat flour imported into Nicaragua, Costa Rica and Panama per barrel of 196 pounds are, respectively, as follows: Nicaragua, U.S.\$2.10; Costa Rica, U.S.\$2.66; and Panama, U.S.\$0.92 plus 3 per cent ad valorem.

LIMITATIONS ON SALE OF CANADIAN FLOUR

Participation in the wheat flour markets of Nicaragua, Costa Rica and Panama is difficult for Canadian millers. The geographic situation of these three countries, and the almost complete lack of direct steamship facilities from Canada, generally places Canadian flour at a transportation disadvantage. Moreover, because of climatic conditions unfavourable to the storage of wheat flour for longer than six to eight weeks, and because both importers and consumers are for the most part unable to finance large purchases, many small shipments are required for these three markets. In addition to the transportation disadvantage, Canadian millers are up against the price factor, which in the past has been in favour of United States flour principally and also Australian flour. Canadian flour is purchased in small quantities and will continue to be shipped to these markets for the account of bakers who understand the economy effected and the quality obtained by blending weak and strong flours.

TARIFF CHANGES AND TRADE REGULATIONS

United Kingdom

INCREASED DUTY ON TOBACCO, BEER, SPIRITS, MATCHES AND MECHANICAL LIGHTERS

Mr. Frederic Hudd, Chief Canadian Trade Commissioner in the United Kingdom, cables that, effective April 24, the budget of the United Kingdom increases the duty on imported tobacco by 4s. per pound, making the basic rates on unstripped tobacco containing 10 per cent or more of moisture 15s. 5½d. per pound preferential tariff, and 17s. 6d. per pound general tariff.

Increases were also announced in the United Kingdom tariff on beer, spirits, matches and mechanical lighters. Details of these increases will appear in the *Commercial Intelligence Journal* when official text of the budget is received.

Australia

RELAXATIONS OF IMPORT RESTRICTIONS ON SOME GOODS

Further relaxations of Australian import restrictions, in addition to those referred to in *Commercial Intelligence Journals* No. 1879 (February 3, 1940), page 193, and No. 1890 (April 20, 1940), page 604, have been announced. Articles of interest to Canadian exporters affected by these concessions include those mentioned below.

Licences, endorsed "no exchange involved," are issued freely for the timber used as stanchions in timber ships (uprights for deck cargo).

Licences may be issued freely, as and when required, irrespective of the value, origin, or relationship to the applicant's importations in the base year (ended June 30, 1939), for the admission of:—

Porcelains for use in the manufacture of spark plugs.

Parts of aeroplanes and parts of aeroplane engines, but not including complete engines, batteries, switches or spark plugs.

Knitting machine parts, viz.: Needles, points, hooks (including welt hooks), sinkers, sliders, dividers, knock-over bits, jacks (including transfer jacks).

New Zealand

SOME NEW TARIFF CLASSIFICATIONS

Recent decisions of the New Zealand Department of Customs as to the classification and rates of duty on articles regarding which question had been raised, include the following:—

Castings and stampings whether in the rough, machined, finished or partly finished, for the manufacture of electric irons, are dutiable under item 338-10a, at 20 per cent ad valorem if imported from United Kingdom, 30 per cent ad valorem if from Canada, 40 per cent ad valorem if from "most favoured nations" and 50 per cent ad valorem plus 22½ per cent of duty, if from other non-British countries.

Castings and stampings whether in the rough, machined, finished or partly finished, for the manufacture of toasters, under item 353-3, 20 per cent ad valorem if imported from the United Kingdom, 30 per cent ad valorem plus 22½ per cent of the duty, if from Canada, and 45 per cent plus 22½ per cent of the duty, if from non-British countries. These were formerly dutiable under item 448, free of ordinary duty (3 per cent ad valorem primage duty) under British preferential tariff, and 20 per cent ad valorem plus 22½ per cent of the duty under the general tariff.

Whip-handles in the rough, to be leather-covered in New Zealand, have been added to the list of articles admissible under item 448, free of ordinary duty (3 per cent ad valorem primage duty) from all countries.

The following goods have been made dutiable under item 338-1c, free of duty if from United Kingdom, 20 per cent ad valorem if from Canada and from "most favoured nations," and 40 per cent ad valorem plus 22½ per cent of the duty from other foreign countries: battery boxes of vulcanite; battery cases, japanned metal, fitted with leather handles, when imported with the accumulators to which they belong; battery cases, wooden, painted with acid-resisting paint, and having lead-covered steel handles, being peculiarly suited for holding electric batteries; battery jars, glass, when imported as component parts of complete battery sets; battery separators, wooden, being thin pieces of wood specially grooved to allow circulation of the electrolyte between the battery plates. Formerly these goods were dutiable under item 338-1a, free of ordinary duty if imported from United Kingdom or Canada, 20 per cent ad valorem from "most favoured nations" and 25 per cent ad valorem plus 22½ per cent of the duty if from other foreign countries.

Newfoundland-Dominican Republic

TRADE AGREEMENT SIGNED

The Newfoundland *Gazette* of April 9, publishes the text of a trade agreement signed on March 16, 1940, between Newfoundland and the Dominican Republic. Under this agreement, which went into force as from the date of signature, the two countries exchange most-favoured-nation treatment in tariff matters. The Dominican Republic also removes an internal revenue tax of \$5 per 100 kilograms on all kinds of Newfoundland codfish. The ordinary customs duty of \$2.25 per 100 kilograms on codfish, however, remains in force.

Under a most-favoured-nation agreement between Canada and the Dominican Republic, signed on March 8, 1940, a summary of which was published in the *Commercial Intelligence Journal* No. 1885 (March 16, 1940), page 422, the exemption from internal revenue tax accorded to Newfoundland codfish also applies to codfish of Canadian origin.

Cyprus

REVISED IMPORT CONTROL MEASURES

With reference to the article in *Commercial Intelligence Journal* No. 1874 (December 30, 1939), page 1251, Mr. Henri Turcot, Canadian Trade Commissioner at Cairo, reports that Cyprus has repealed, with effect from April 11, 1940, the order of December 9, 1939, which absolutely prohibited the importation of certain goods when not consigned from, grown, produced or manufactured in the British Empire (other than Canada and Newfoundland). Under the Importation of Certain Goods (Restriction) Order a new schedule has been issued. The new list of goods subject to import licence from Canada, Newfoundland and countries outside the British Empire includes the following: natural silk stockings; chemicals; drugs; spirits; cheese; fish, dried, salted, pickled, tinned; fruits, bottled and tinned; jams and jellies; milk, preserved; provisions, tinned, bottled, smoked, dried; furs, dressed; leather; motor cars and parts; tires and tubes; rubber goods; timber; plywood; pianos; paints and varnishes; wire, galvanized.

The new import restriction measure is not applicable to goods shipped prior to December 9, 1939.

Montserrat

VALUE FOR DUTY CHANGED TO C.I.F. BASIS

The Montserrat "Tariff Collection (Amendment) Ordinance 1940," assented to March 13, 1940, brings the method of valuing goods for the purpose of calculating ad valorem duties into line with the practice followed by Trinidad and a number of other British West Indian colonies which adopted the United Kingdom system of levying duty on c.i.f. valuation. The new Montserrat regulations read:—

The value of any imported goods for the purpose of assessing duty ad valorem shall be taken to be the price charged for such goods by the vendor thereof, to which shall be added the cost of freight, insurance, commission and all other charges and expenses incidental to the purchase and delivery at the port of importation (except any duties of customs) and duty shall be paid on that value as fixed by the Treasurer.

In determining the value of any imported goods for the purposes aforesaid, the Treasurer may have regard not only to the value of the goods as set out in the invoice or declared by an importer, but to all the relevant considerations, and in particular to the price which at the time of the importation of the goods of which the value is to be ascertained (in this sub-section referred to as "the said goods") is being paid by other importers for goods of a like class or description and quality; or if the price aforesaid cannot be determined to the satisfaction of the Treasurer, the price at which the said goods, or imported goods of a like class or description and quality, are being freely offered for sale in the Presidency to purchasers in the ordinary course of trade, less an allowance in respect of duties of customs and reasonable marketing expenses and profits incidental to the marketing of the goods after importation.

Formerly the value for duty was the price charged for the said goods by the vendor thereof, as shown by the invoice.

United States

CUSTOMS CONVERSION RATE OF CANADIAN DOLLAR

A Treasury Decision released by the United States Secretary of the Treasury on April 16 contains the following direction with regard to the conversion rate for United States customs purposes of the Canadian dollar: "Reference is made to the daily buying rates for foreign exchange which Section 522 (c) of the Tariff Act of 1930 directs the Federal Reserve Bank of New York to certify to the Secretary of the Treasury. The list of rates certified by the Federal

Reserve Bank of New York has included two rates for the Canadian dollar and the Newfoundland dollar since March 22, 1940, two rates for the English pound since March 25, 1940, and two rates for the Australian pound since April 1, 1940. In each case the higher rate has been designated 'official,' the other 'free.' Whenever it is necessary to convert any of the above-mentioned currencies into currency of the United States for the purpose of the assessment and collection of duties upon imported merchandise, customs officers shall make such conversions on the basis of the rate designated 'official' unless the rate proclaimed for the respective currency pursuant to Section 522 (a) of the Tariff Act of 1930 varies from such 'official' rate by less than 5 per centum. In the latter event the proclaimed rate should be used until further notice. Only the 'official' rates for the named currencies will appear in the weekly issues and bound volumes of the Treasury Decisions. The pertinent facts and circumstances will be kept under review and should future developments make it advisable, further instructions will be given."

Gambia

CONTROL OF IMPORTS

Mr. H. L. Brown, Assistant Trade Commissioner at London, writes under date April 5, 1940, that with reference to the report on Wartime Trade Regulations in British West Africa, published in *Commercial Intelligence Journal* No. 1884 (March 9, 1940), some additional details have now been received respecting Gambia.

Under date December 7, 1939, the authorities in the Gambia issued Order No. 27, the general effect of which would appear to be that of establishing an import licensing system. Items of interest to Canadian exporters include beer, butter and substitutes, cheese, canned fruits, canned vegetables, canned meats, canned fish, flour, lard and substitutes, milk of all kinds, pickles and sauces, unmanufactured tobacco, unmanufactured wood and timber, apparel, road vehicles, implements and tools of all kinds. Goods despatched before January 15, 1940, and goods ordered by and on behalf of the Government were excepted.

The Receiver-General of the Gambia advises that the restrictions are not rigidly imposed if the articles cannot be obtained easily from countries in which the exchange is in favour of the pound sterling.

Under date January 25, 1940, the authorities issued Defence (Finance) Regulations, which expand and clarify the exchange control regulations established on September 25, 1939, discussed in the previous report referred to above.

Gambia depends on the exportation of groundnuts (peanuts). Early this year the United Kingdom Government purchased the entire crop, estimated at 50,000 long tons. Buying proceeded actively and, provided sufficient shipping has been arranged, the position may be relatively satisfactory. The total quantity of sterling thus accruing, however, is not large and will probably amount to between £200,000 and £300,000.

EXCHANGE CONDITIONS IN FOREIGN COUNTRIES

Cuba, Dominican Republic, Puerto Rico, and Haiti

C. S. BISSETT, CANADIAN TRADE COMMISSIONER

Havana, April 2, 1940.—There has been no change as regards regulation or control of foreign exchange during the last three months in these four countries. In none are there in force any official exchange restrictions which affect the collection of bills drawn on importers therein by persons abroad.

FOREIGN EXCHANGE QUOTATIONS: WEEK ENDING APRIL 22, 1940

The Foreign Exchange Division of the Bank of Canada has furnished the following statement of the nominal closing quotations for all the principal exchanges for the week ending Monday, April 22, 1940, and for the week ending Monday, April 15, 1940, with the official bank rate:—

Country	Unit	Present or Former Gold Parity	Nominal Quotations in Montreal Week ending April 15	Nominal Quotations in Montreal Week ending April 22	Official Bank Rate
Belgium	Belga	.1001	\$.1866	\$.1861	2
Bulgaria	Lev	.0072	.....	.....	6
Finland	Markka	.0252	.0198	.0196	4
France	Franc	.0392	.0221	.0222	2
Great Britain	Pound	4.8666			
	Buying		4.4300	4.4300	2
	Selling		4.4700	4.4700	—
Greece	Drachma	.0130	.0072	.0072	6
Holland	Guilder	.4020	.5891	.5892	3
Hungary	Pengo	.1749	.3227	.3227	4
	Unofficial		.1951	.1951	—
Italy	Lira	.0526	.0559	.0560	4½
Yugoslavia	Dinar	.0176	.0249	.0249	5
Portugal	Escudo	.0442	.0379	.....	4-4½
Roumania	Leu	.0060	.....	.....	3½
Spain	Peseta	.1930	.1013	.1013	4
Sweden	Krona	.2680	.....	.....	3
Switzerland	Franc	.1930	.2489	.2489	1½
United States	Dollar	1.0000			
	Buying		1.1000	1.1000	1
	Selling		1.1100	1.1100	—
Mexico	Peso	.4985	.1848	.1849	3
Cuba	Peso	1.0000	.....	.....	—
Guadeloupe	Franc	.0392	.0221	.0222	—
Jamaica	Pound	4.8666	4.4800	4.4800	—
Martinique	Franc	.0392	.0221	.0222	—
Other British West Indies	Dollar	1.0138	.9313	.9313	—
Argentina	Peso (Paper)	.4245	.3304	.3304	3½
	Free		.2542	.2553	—
Brazil	Milreis (Paper)	.1196	.0673	.0673	—
	Free		.0558	.0558	—
British Guiana	Dollar	1.0138	.9313	.9313	—
Chile	Peso	.1217	.0573	.0574	3-4½
	Export		.0444	.0444	—
Colombia	Peso	.9733	.6325	.6325	4
Peru	Sol	.2800	.....	.....	6
Venezuela	Bolivar	.1930	.....	.....	—
Uruguay	Peso	1.0342			
	Controlled		.7307	.7307	—
	Uncontrolled		.4340	.4340	—
South Africa	Pound	4.8666	4.4600	4.4600	3½
Egypt	Pound (100 Piastres)	4.9431	4.5800	4.5800	—
China (Shanghai)	Dollar	.....	.0667	.0663	—
Hongkong	Dollar	.....	.2425	.2426	—
India	Rupee	.3650	.3359	.3359	3
Japan	Yen	.4985	.2602	.2602	3.29
Java	Guilder	.4020	.....	.....	—
Thailand (Siam)	Baht (Tical)	.4424	.....	.....	—
Straits Settlements	Dollar	.5678	.5250	.5256	—
Australia	Pound	4.8666	3.5800	3.5800	3
New Zealand	Pound	4.8666	3.5900	3.5900	4

The Dominion Bureau of Statistics has supplied the following note:—

Official buying and selling rates set daily by the Canadian Foreign Exchange Control Board for sterling and United States funds remained unaltered during the week ended April 22 at \$4.43-\$4.47 and \$1.10-\$1.11. During the same interval sterling free market rates at New York moved within a range of \$3.49½-\$3.53½, the latter figure being the final rate for the week and indicating a net advance of 3 cents. Canadian funds on the other hand showed a weaker tendency, quotations falling from 86½ cents on the 15th to 84½ cents at the close, for a net loss of 1½ cent. At Montreal French francs, following a drop to 2.20 cents early in the week, subsequently recovered to close at 2.22 cents for no net change. Among neutral European units continued pressure on the belga lowered quotations 5 points to 18.61 cents between April 15 and 22, while florins were steady at 58.92 cents.

TRADE OPPORTUNITIES ABROAD FOR CANADIAN PRODUCTS

The Trade Inquiries for Canadian products published below have been received since the publication of the last issue of the *Commercial Intelligence Journal*. Interested exporters may secure the names and addresses of the firms making these inquiries, together with further details regarding the commodities required, on application to the Director, Commercial Intelligence Branch, Department of Trade and Commerce, Ottawa, or—

Secretary, Board of Trade—

Saint John, N.B.	Guelph, Ont.	Portage la Prairie, Man.
Halifax, N.S.	Kitchener, Ont.	St. Boniface, Man.
Quebec, P.Q.	Brantford, Ont.	Winnipeg, Man.
Montreal, P.Q.	Stratford, Ont.	Vancouver, B.C.
Toronto, Ont.	Woodstock, Ont.	New Westminster, B.C.
Chatham, Ont.	St. Mary's, Ont.	

Secretary, Chamber of Commerce—

Sherbrooke, P.Q.	Peterborough, Ont.	Victoria, B.C.
Kingston, Ont.	London, Ont.	Prince Rupert, B.C.
Oshawa, Ont.	St. Catharines, Ont.	
Belleville, Ont.	Hamilton, Ont.	

Windsor Chamber of Commerce, Windsor, Ont.

Commercial Intelligence Service, Department of Municipal Affairs, Trade and Commerce, Quebec.

Department of Industry, Brantford, Ont.

Industrial Commissioner, Stratford, Ont.

La Chambre de Commerce de Montréal, 25 St. James E., Montreal, P.Q.

Secretary, Canadian Manufacturers Association—

Toronto, Ont.	Winnipeg, Man.	Vancouver, B.C.
Montreal, P.Q.	Edmonton, Alta.	Victoria, B.C.

Director, Bureau of Industrial and Trade Extension, Department of Trade and Industry, Victoria, B.C.

Commodity	No.	Location of Inquirer	Purchase or Agency
Foodstuffs and Feedstuffs—			
Canned Fruits.....	320	Tel-Aviv, Palestine.....	Agency.
Canned Fruits.....	321	Cairo, Egypt.....	Purchase.
Canned Herrings.....	322	Nicosia, Cyprus.....	Purchase.
Corn Syrup.....	323	Tel-Aviv, Palestine.....	Agency.
Corn Flour.....	324	Tel-Aviv, Palestine.....	Agency.
Powdered Milk, Fish Meal, and Meat Meal (for Poultry Feeding)	325-327	Tel-Aviv, Palestine.....	Agency.
Miscellaneous—			
Hosiery, Lisle (Women's).....	328	Leicester, England.....	Purchase or Agency.
Newsprint, in Rolls.....	329	Jerusalem, Palestine.....	Purchase.
Cardboard or Strawboard.....	330	Cardiff, Wales.....	Purchase.
Whistles, with or without Chains.	331	Johannesburg, South Africa.....	Agency.
Soft Wood, Sawn (White Deal)...	332	Tel-Aviv, Palestine.....	Purchase.
Asbestos.....	333	Lisbon, Portugal.....	Agency.

INQUIRY FOR HARDWARE ITEMS FROM CHILE

Mr. M. J. Vechsler, Canadian Trade Commissioner at Lima, Peru, writes that he has received an inquiry covering hardware items from a firm in Santiago, Chile, who are anxious to receive catalogues and price lists from Canadian manufacturers interested in selling in that market. Prices should preferably be c.i.f. Valparaiso; failing that they should be at least f.a.s. New York. The terms of payment offered are cash against presentation of documents at a Santiago, Chile, bank.

A representative list of the hardware items included in this inquiry is on file at the Department of Trade and Commerce, and will be supplied to interested firms upon request, quoting file No. 30534.

COMMERCIAL INTELLIGENCE SERVICE

L. D. WILGRESS, *Director*

Argentina

J. A. STRONG, B. Mitre 430, Buenos Aires (1). (Territory includes Uruguay.) *Cable address, Canadian.*

Australia

Sydney: L. M. COSGRAVE. Address for letters—P.O. Box No. 3952V. Office—City Mutual Life Building, Hunter and Bligh Streets. (Territory includes the Australian Capital Territory, New South Wales, Queensland, Northern Territory and Dependencies.) *Cable address, Canadian.*

Melbourne: FREDERICK PALMER, 83 William Street, Melbourne, C.I. (Territory includes States of Victoria, South Australia, Western Australia, and Tasmania.) *Cable address, Canadian.*

Belgium and Luxemburg

YVES LAMONTAGNE, Commercial Attaché, Shell Building, 60 rue Ravenstein, Brussels. *Cable address, Canadian.*

Brazil

L. S. GLASS. Address for letters—Caixa Postal 2164, Rio de Janeiro. Office—Ed. Da. "A. Noite," Sala 802, Praca Maua. *Cable address, Canadian.*

British India

PAUL SYKES. Address for letters—P.O. Box 886, Bombay. Office—Gresham Assurance House, Mint Road, Bombay. (Territory includes Burma and Ceylon.) *Cable address, Canadian.*

British Malaya

J. L. MUTTER, Union Building, Singapore, Straits Settlements. (Territory includes the Straits Settlements, the Federated Malay States, the Unfederated Malay States, Thailand, British Borneo, and Netherlands India.) *Cable address, Canadian.*

British West Indies

Trinidad: M. B. PALMER. Address for letters—P.O. Box 125, Port of Spain. Office—Barclay's Bank Building. (Territory includes Barbados, Windward and Leeward Islands, and British Guiana.) *Cable address, Canadian.*

Jamaica: F. W. FRASER, P.O. Box 225, Kingston. Office—Canadian Bank of Commerce Chambers. (Territory includes the Bahamas and British Honduras.) *Cable address, Canadian.*

China

V. E. DUCLOS. Address for letters—P.O. Box 264, Shanghai. Office—Ewo Building, 27 The Bund, Shanghai. (Territory includes Central China and North China.) *Cable address, Canadian.*

Cuba

C. S. BISSETT. Address for letters—Apartado 1945, Havana. Office—Royal Bank of Canada Building, Calle Aguiar 367, Havana. (Territory includes Haiti, the Dominican Republic, and Puerto Rico.) *Cable address, Canadian.*

Egypt

HENRI TURCOT. Address for letters—P.O. Box 1770, Cairo. Office—22 Shari Kasr el Nil, Cairo. (Territory includes the Sudan, Palestine, Cyprus, Iraq, Syria, Iran, Greece, Turkey, Bulgaria, and Roumania.) *Cable address, Canadian.*

France

HERCULE BARRÉ, Commercial Attaché, 3 rue Scribe, Paris (9). (Territory includes French Colonies in North Africa.) *Cable address, Cancomac.*

Hongkong

P. V. McLANE. Address for letters—P.O. Box 80, Hongkong. Office—Hongkong and Shanghai Bank Building, Hongkong. (Territory includes South China, the Philippines, and Indo-China.) *Cable address, Canadian.*

Ireland

JAMES CORMACK, 66 Upper O'Connell Street, Dublin, Ireland (*cable address, Canadian*); and 36 Victoria Square, Belfast, Northern Ireland.

CANADIAN GOVERNMENT TRADE COMMISSIONERS—*Con.*

Italy

- A. B. MUDDIMAN, Via Manzoni Nr. 5, Milan (102). (Territory includes Spain, Portugal, Gibraltar, Malta, Albania, and Yugoslavia.) *Cable address, Canadian.*

Japan

- C. M. CROFT, Commercial Secretary. Address for letters—P.O. Box 18, Akasaka Post Office, Tokyo. Office—Canadian Legation, 16 Omotecho, 3-chome, Akasakaku, Tokyo. *Cable address, Canadian.*

Mexico

- R. T. YOUNG. Address for letters—Apartado Num. 126-Bis, Mexico City. Office—Edificio Banco de Londres y Mexico, Num. 30, Mexico City. (Territory includes Guatemala, Honduras, and Salvador.) *Cable address, Canadian.*

Netherlands

- J. A. LANGLEY, Commercial Attaché, Coolensingel 111b, Rotterdam. (Territory includes Switzerland.) *Cable address, Canadian.*

New Zealand

- W. F. BULL. Address for letters—P.O. Box 33, Auckland. Office—Yorkshire House, Shortland Street, Auckland. (Territory includes Fiji and Western Samoa.) *Cable address, Canadian.*

Panama

- H. W. BRIGHTON. Address for letters—P.O. Box 222, Panama City. Office—98 Central Avenue, Panama City. (Territory includes the Canal Zone, Venezuela, Colombia, Nicaragua, and Costa Rica.) *Cable address, Canadian.*

Peru

- M. J. VECHSLER. Address for letters—Casilla 1212, Lima. Office—Edificio Boza, Carabaya 831, Plaza San Martin, Lima. (Territory includes Bolivia, Ecuador, and Chile.) *Cable address, Canadian.*

South Africa

- Cape Town:* J. C. MACGILLIVRAY. Address for letters—P.O. Box 683. Office—New South African Mutual Buildings, 17 Parliament Street. (Territory includes Cape Province and Southwest Africa, Natal, Tanganyika, Kenya, Uganda, Mauritius, and Madagascar.) *Cable address, Cantracom.*

- Johannesburg:* J. H. ENGLISH. Address for letters—P.O. Box 715. Office—Prudential Assurance Building, 92 Fox Street. (Territory includes Transvaal, Orange Free State, the Rhodesias, Mozambique or Portuguese East Africa, and Nyasaland.) *Cable address, Cantracom.*

United Kingdom

- London:* FREDERIC HUDD, Chief Trade Commissioner in the United Kingdom, Canada House, Trafalgar Square, S.W.1. *Cable address, Sleighing, London.*

- London:* G. R. HEASMAN, Trade Commissioner, Canada House, Trafalgar Square, S.W.1. (Territory includes Home Counties, Southeastern Counties, and East Anglia; also British West Africa.) *Cable address, Sleighing, London.*

- London:* W. B. GORNALL, Fruit Trade Commissioner, Aldine House, Bedford Street, Strand, W.C.2. *Cable address, Canfrucum.* (Territory—for fresh fruit only—includes United Kingdom, Norway, Denmark, Sweden, France, Holland, and Belgium).

- London:* G. R. PATERSON, Animal Products Trade Commissioner, Canada House, Trafalgar Square, S.W. 1. *Cable address, Agrilson.*

- Liverpool:* A. E. BRYAN, Martins Bank Building, Water Street. (Territory includes North of England, Lincolnshire, North Midlands, and North Wales.) *Cable address, Canadian.*

- Bristol:* E. L. MCCOLL, Northcliffe House, Colston Avenue. (Territory includes West of England, South Wales, and South Midlands.) *Cable address, Canadian.*

- Glasgow:* G. B. JOHNSON, 200 St. Vincent Street. (Territory covers Scotland.) *Cable address, Cantracom.*

United States

- New York City:* D. S. COLE, British Empire Building, Rockefeller Center. (Territory includes Bermuda.) *Cable address, Cantracom.*

- Chicago:* W. J. RIDDIFORD, Tribune Tower, 435 North Michigan Avenue. *Cable address, Canadian.*

- Los Angeles:* B. C. BUTLER, Associated Realty Building, 510 West Sixth Street. *Cable address, Canadian.*

Note.—Bentley's Second Phrase Code is used by Canadian Trade Commissioners.

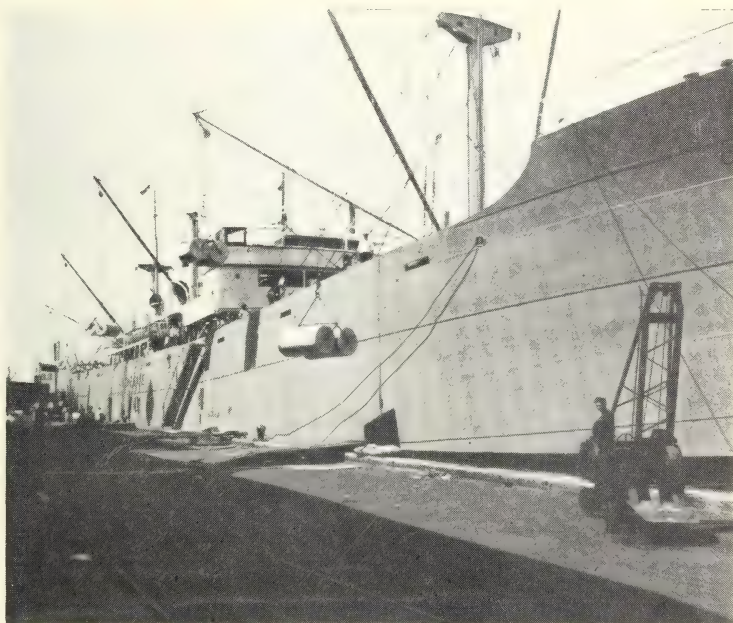
Can
T

COMMERCIAL INTELLIGENCE JOURNAL

Vol. LXII

Ottawa, May 4, 1940

No. 1892



Canadian Newsprint goes by Water to many Markets

ISSUED BY AUTHORITY OF
THE HON. W. D. EULER, MINISTER OF TRADE AND COMMERCE
JAMES G. PARMELEE, DEPUTY MINISTER



CONTENTS

	Page
United Kingdom Frozen Fish Trade	655
London Market for Cotton Hosiery.....	664
Market for Buttons in London	665
Box Shook Requirements in the United Kingdom.....	670
Hardwood Flooring Import Restrictions in the United Kingdom	671
Scottish Industry and Trade in 1939.....	672
Ireland's External Trade in 1939.....	674
Summary of the Trade of Canada: March.....	681
Dairying Industry in Australia	682
Sales of Australian Apples, 1940 Season.....	683
Conditions in Nyasaland and Northern Rhodesia in 1939.....	684
Royal Netherlands Industries Fair	686
Economic and Trade Conditions in Manchuria, 1939.....	686
First Official Estimate of the Argentine Corn Crop.....	689
Control of Exports from Canada	689
Tariff Changes and Trade Regulations.....	689
Exchange Conditions in Empire and Foreign Countries:	
Northern and Southern Rhodesia	693
Malta	694
Venezuela	695
Colombia	695
Nicaragua	696
Panama	697
Costa Rica	697
Peru	697
Ecuador	698
Foreign Exchange Quotations	699
Trade Inquiries for Canadian Products	700
Commercial Intelligence Service	701

COMMERCIAL INTELLIGENCE JOURNAL

Issued Every Saturday by the Department of Trade and Commerce

PUBLISHED in English and French. Subscription Price for either edition: \$1 per annum in Canada (single copies 5 cents each); \$3.50 outside the Dominion (single copies 10 cents each). Remittances, which may be made by Post Office or Express Orders, or Drafts, or Cheques, payable at par in Ottawa, should be addressed to the King's Printer, Government Printing Bureau, Ottawa.

Vol. LXII

Ottawa, May 4, 1940

No. 1892

UNITED KINGDOM FROZEN FISH TRADE

H. L. BROWN, ASSISTANT TRADE COMMISSIONER

London, March 19, 1940.—On the outbreak of war a scheme of control of sales and distribution of fresh fish was instituted, but it was abandoned after a few weeks. Up to the present the importation of frozen fish has not been brought under control by the United Kingdom Government. As long as prices remain around the current level, even though they are now much higher than before the war, it seems probable that control may not be instituted or, if it should be established, only in modified form.

GOVERNMENT MEASURES

However, on February 19, the Minister of Food issued an order requiring all persons in the United Kingdom owning or holding any chilled or frozen fish in cold storage, or to whom such fish may be consigned or in transit, to make returns as at February 23 and each successive fourteenth day thereafter. This order does not apply to cold stores not carried on for the purposes of gain, nor to those with refrigerated space of less than 2,000 cubic feet.

This order was issued to enable the Government to obtain accurate information as to the quantities of frozen fish in the country and thus keep account of food stocks. While the information made available would be valuable and necessary in the institution of measures of control, the making of the order does not of itself imply any immediate plans for control.

Under modern war conditions, control by the Government is always a possible development. For example, announcement has been made in the press to-day that the United Kingdom Board of Trade will publish on March 21 an order to prohibit the importation, except under licence, of all feedstuffs and all foodstuffs except wines and spirits, living animals and fresh and cured fish.* This measure has been decided upon to unify the control of the trade in imported foods.

Such conditions and prospective developments would tend to support any contention that a co-operative and united policy among overseas exporters would be warranted. Such a development would appear particularly useful to the smaller exporters who have not previously shipped to the United Kingdom.

PRESENT PRODUCTION

The capacity of the United Kingdom fisheries fleet has been reduced by at least one-half as a result of the Admiralty taking over a large number of the vessels. As pointed out recently in the House of Commons, "in August

* Frozen fish was included in this order, but an open general licence issued on March 20, authorizes importation until further notice of frozen fish from any country.

of last year we had 260 fast modern trawlers, all capable of fishing the distant grounds. Every one of these trawlers has been purchased or commandeered by the Admiralty. These vessels landed 7,775,000 cwts. (about 43,540 short tons) of fish in 1938." The Admiralty have also taken over for defence purposes a large proportion of the 1,400 inshore fishing vessels and of the 700 drifters. As will be seen from statistics quoted at the end of this report, the total of all fish landed in England, Scotland and Wales was 20,682,040 cwts. in 1938. The decrease in landings since the outbreak of war, as a result of the lessened catching power, has not been the subject of published statistics, but must obviously be extensive.

PRESENT CONSUMPTION

Despite a decrease in production, there is no warrant for any assumption that the United Kingdom must make up the reduction in full by importing quantities to offset the total of 10,000,000 cwts. (about 560,000 short tons) annually, but the figure does represent the theoretically available maximum. Consumption has been greatly reduced by a number of factors, the increase in price being the most outstanding. Prior to the war the quayside price of cod at Hull was about 1d. per pound, but it is now about 5½d. The effect on consumption of this increase of 550 per cent must be obvious.

The falling off in sales has been heavy, primarily as a result of a shortage of fish and increased prices, but also in some degree because "black-out" conditions, particularly during the winter, kept people at home and away from the restaurants and fried fish shops, which account for the distribution of such a large part of fish supplies. With the reintroduction of daylight saving time on February 25 and the lengthening day, retail fishmongers and the fish-fryers will have a longer daily period in which to sell their goods. The demand will therefore strengthen but, because of increased prices, can hardly be expected to return entirely to the pre-war level.

COD AND HADDOCK

The foregoing refers largely to cod and fish of the cod family, such as haddock. Cod, haddock, and herring are the three fish which are most important in the United Kingdom trade. In 1938 cod accounted for 7,159,499 cwts. or over 34 per cent of total landings; haddock amounted to 2,929,355 cwts. or over 14 per cent, and herring to 5,394,015 cwts., or about 26 per cent of the total. These three fish together accounted therefore for 15,482,869 cwts. (about 867,040 short tons), or little less than 75 per cent of all landings in 1938.

Cod, as the major fish food of the United Kingdom, is the mainstay of some 30,000 fried fish shops and 20,000 fishmongers and hawkers. For example, the value of cod landed in England and Wales from British vessels in 1938 was £4,239,308, which indicates an average landed price of about 1½d. per pound.

Any action by the Government, therefore, might be expected to be in the direction of obtaining supplies of cod as cheaply and in as large quantities as possible. No direct action towards this end has yet been indicated, and for the present the provision of imported supplies is being undertaken by United Kingdom fish companies already engaged in the import trade. Some of the larger importing firms in this trade are endeavouring to co-ordinate purchases from the available supplying countries, which are mainly Iceland, Newfoundland, and Canada. Supplies have still come somewhat irregularly from Norway, Denmark and Belgium, but have been found to vary in quality, due to delays occasioned by enemy interference with shipping.

SALMON AND HALIBUT

Salmon and halibut are important sources of food, even though they have not made up a large proportion of total fish consumed in the United Kingdom. While not ranking in quantity and total value with cod, haddock, and herring, the value of imports of salmon amounted to £624,249 in 1938, and imports of halibut must have reached a comparable figure. In all it is probable that imports of these two types of fish aggregated nearly £1,000,000 in 1938, and the quantity must have approximated upwards of 17,000 short tons.

Prices have not been within the reach of the working class, and in general salmon and halibut have found sale mainly among the middle and upper classes. Salmon particularly has been used extensively for banquets and in the higher-priced hotels, but the innumerable banquets held daily all over the country have been abandoned or limited by common consent, and the hotel business has decreased both as a result of a decline in the number of people travelling and on account of the fact that the number of operating hotels has been reduced through government requisitioning for offices.

EELS

The United Kingdom Ministry of Fisheries recently issued a leaflet to the effect that since there is no evidence that the stock of eels in United Kingdom waters has diminished, extensive imports of eels in peace-time are unnecessary, and the practice of importing from abroad has developed because the number of persons fishing for eels in this country is too small to supply the market. The indication is that the Ministry is doing all it can to re-establish the industry and that no encouragement will be given importation for the present.

OUTLOOK

Consequently, even though the United Kingdom cannot possibly attempt to replace the total decrease in landings and in imports of fish from European countries, there is a large field available, in part at least, to those overseas suppliers who are in a position to export the fish desired, providing conditions of quality, price, exchange and particularly transportation are sufficiently favourable. It will be clear that the bulk of the fish must be cod and haddock, although small quantities of other types are by no means precluded. The imports of frozen salmon and halibut, it is hoped, will continue.

The main essential is good quality for a reasonable price. With present prices for cod already far higher than before the war, no appreciable increase over 6d. per pound c.i.f. can be expected without an equivalent or even inverse ratio of decrease in sales. For example, a few weeks ago, as a result of extra landings, the retail price of common fish dropped as much as 4d. a pound; when this was broadcast to the public, the sudden rise in sales was most heartening. But, in the words of a commentator in the *Fish Trades Gazette*: "It would be idle to pretend that it was the supply which necessitated the announcement. It was the absence of demand. The vast reduction in the amount of fish available must have caused a great many people to cease eating fish. Prices, too, have shut out certain potential customers. In other words, the trade as a whole had lost a large number of customers. The broadcast announcement must have brought a good percentage back." In short, the United Kingdom public wants good fish but cannot pay excessively high prices for it.

Expensive packs in fancy wrappings are not required, nor is it necessary to provide anything more elaborate as containers than stout boxes. Plain sensible wrapping of fillets has been found advantageous in dealing with some buyers because it facilitates handling. To conserve space and economize on freight

costs the fish, in the main, will be filleted. A neatly cut fillet, properly packed without unnecessary wrapping and nicely frozen to retain the flavour and texture, will fill the requirements.

OCEAN SHIPPING SPACE

War brings commerce its problems as well as its opportunities, and transportation is not the least of the prevailing difficulties. In peace time Canadian exporters were unable to offer the cheaper fish, such as cod, to United Kingdom buyers because transatlantic shipping costs were too high. Now that war has changed prices in the United Kingdom to such a degree that the ocean shipping costs on Canadian fish can be covered, the problem has still not been solved, because the ocean refrigerated space is required for other commodities. The problem of shipping space is under consideration by the Governments and trade interests concerned.

REFRIGERATION SPACE IN THE UNITED KINGDOM

It should be appreciated by Canadian exporters that refrigeration space in the United Kingdom is largely under government control and that a great part of the total space available is in constant use for storing reserve supplies of essential foods. Consequently, and unless the United Kingdom Government changes its present policy, it will probably not be feasible for any large reserve of frozen fish to be built up in the United Kingdom, and, generally speaking, the cold store space for fish will be confined to that necessary for preserving supplies between arrival and early distribution. Assurance by the shipping authorities of ocean shipping space on the Atlantic does not imply assurance of cold storage space on arrival; in the event of government control this question would not arise.

PORT OF ARRIVAL AND LOCAL TRANSPORTATION

Some difficulties have been encountered by United Kingdom importers as a result of change of port of arrival for ships carrying frozen fish from Canada. Owing to the exigencies created by the war, changes may be made, with or without notice, in the port or ports of arrival in the United Kingdom, or space may be available to the exporter only on vessels proceeding to some port other than the one desired. In either event the fish which, for example, may be required in the South of England, may be landed at a port in Scotland.

If the importer cannot dispose of the parcel at or near the port of arrival, he encounters the expense of land transportation. An agreement has been arrived at among the United Kingdom Government, the railways and the road companies in order to rationalize transportation. As a result, cheap road transportation is not so readily available as before the war, and rail costs may make it unprofitable for the importer to undertake to move his fish from the port of arrival to the district of sale.

EXCHANGE

As is well known, exchange is controlled both in Canada and the United Kingdom. To date there has been no difficulty in the way of United Kingdom importers' purchasing exchange in payment for Canadian fish, nor is there any present indication of developments in the direction of control in the near future. Foreign exchange, however, is such a vital necessity of modern warfare that it is hardly practicable to secure any long-term ruling as to whether or not it will be possible for the United Kingdom Government to continue freely to admit imports of frozen fish or any other commodity.

COMPETITION

Despite the drastic reduction in landings, fish is still an important part of the country's food supply. The pre-war statistics of the trade, therefore,

still provide a useful basis for consideration of market prospects as well as a general indication of the strength of sources of competition, even though conditions have changed so radically. The following statistical data are inserted for general reference:—

IMPORTS OF FRESH AND FROZEN FISH

The total value of all fish landed in the United Kingdom in 1938 was equivalent to about \$95,000,000, while importations of all classes of fish for food amounted to a further \$49,000,000, bringing the total value of fish consumed in 1938 up to the substantial figure of about \$144,000,000. Fresh and frozen fish, not of British taking, made up about \$13,500,000 of the total; it is this part of the trade which is of immediate interest in the present report. Coincidentally this figure is only a little higher than total Canadian exports of fresh and frozen fish of all kinds, five-sixths of which was shipped to the United States.

The following table shows imports during the years 1936 to 1938 in cwt. of 112 pounds and pounds sterling:—

United Kingdom Imports by Main Varieties

	1936		1937		1938	
	Cwt.	£	Cwt.	£	Cwt.	£
Cod	288,930	157,577	217,126	126,576	222,223	160,393
Eels (except conger)	37,596	136,929	40,622	163,309	36,571	146,455
Haddock	153,956	158,912	150,717	156,692	136,923	150,636
Herrings	402,081	180,955	358,464	198,590	386,989	170,449
Plaice	303,654	657,406	332,953	715,976	349,164	798,449
Salmon	112,688	547,081	116,406	577,090	124,869	624,249
Other sorts	349,844	657,714	380,064	744,866	378,643	736,579
Total	1,647,749	2,496,574	1,596,352	2,683,099	1,635,382	2,787,210

It will be observed that the proportion of each variety in relation to total imports of fresh and frozen fish are approximately as follows: cod, nearly 6 per cent; eels, 5 per cent; haddock, about $5\frac{1}{2}$ per cent; herrings, slightly over 6 per cent; plaice, over 28 per cent; salmon, over 22 per cent; and other sorts, over 26 per cent. Under normal conditions the cod, haddock, herring, and plaice can probably be supplied most quickly and economically from European waters; also some at least of the varieties included under "other sorts." The same appears true of eels. The greatest opportunity for Canadian fish in peacetime, therefore, has been for salmon and halibut. On the basis of the import statistics for 1938, Canada supplied 42,415 cwt. (£202,994) of frozen salmon, or 32 per cent of the total imports; this amounts to over 7 per cent of the total value of all imports of fresh and frozen fish into the United Kingdom in 1938.

The following table shows imports by principal countries of origin:—

United Kingdom Imports by Principal Countries

	1936		1937		1938	
	Cwt.	£	Cwt.	£	Cwt.	£
Norway	638,896	667,526	595,883	742,652	605,789	665,204
Denmark	317,677	615,719	332,772	632,090	329,795	687,078
Canada	58,830	218,316	77,278	291,288	68,928	285,862
Iceland	48,118	60,448	63,931	99,168	122,041	172,295
Eire	32,776	215,144	20,281	135,124	22,070	124,627
Newfoundland	16,878	75,577	20,849	96,781	23,970	119,553
Netherlands	16,610	56,155	27,264	101,356	29,088	97,993
Belgium	14,189	58,897	19,970	79,114	20,329	75,489
United States	12,492	40,514	8,142	26,563	18,402	68,459
Deep-sea fisheries	468,047	441,555	406,210	413,740	371,660	426,019
Other British countries*	6,898	5,591	5,057	5,212	127	342
Other foreign countries*	16,338	41,132	18,715	60,011	23,183	64,289
Total	1,647,749	2,496,574	1,596,352	2,683,099	1,635,382	2,787,210

* The 1938 figures are not strictly comparable with those for 1936 and 1937.

It will be noted that in 1938 the combined imports from Norway, Denmark, and Iceland accounted for nearly 55 per cent of total imports of fresh and frozen fish into the United Kingdom. The United States supplied about 2·5 per cent, the Netherlands and Belgium together about 6 per cent, and other foreign countries about 2 per cent of the total. Deep-sea fisheries, which are not regarded as a United Kingdom source because the fish are not of British taking, accounted for over 15 per cent of total imports of fresh and frozen fish. In short, European sources are credited with nearly four-fifths of the total imports.

The Empire countries, Canada, Eire and Newfoundland, were the suppliers of the remaining one-fifth, with the exception of the small percentage from the United States and a small fraction from Japan. Canada's share in 1938 was a little over 10 per cent, while Eire obtained about 4½ per cent and Newfoundland slightly over 4 per cent.

COD

Imports of cod into the United Kingdom in the past three years were as follows:—

Imports of Cod

	1936		1937		1938	
	Cwt.	£	Cwt.	£	Cwt.	£
Total	288,930	157,577	217,126	126,576	222,223	160,393
Deep-sea fisheries	215,439	84,404	153,916	62,134	112,122	56,660
Denmark	43,410	46,777	34,416	39,208	38,407	46,527
Norway	14,938	15,055	15,477	16,779	17,370	21,709
Iceland	14,600	10,285	12,649	7,485	53,604	33,574
Other foreign countries . .	514	1,037	324	762	347	1,473
British countries	29	19	344	208	373	450

It will be observed that the principal source of supply for cod is the deep-sea fisheries.

HADDOCK

Haddock are obtained from deep-sea fisheries and the Scandinavian countries, as shown in the following statistics for the past three years:—

Imports of Haddock

	1936		1937		1938	
	Cwt.	£	Cwt.	£	Cwt.	£
Total	153,956	158,912	150,717	156,692	136,923	150,636
Deep-sea fisheries	72,818	72,356	63,461	55,043	59,614	51,777
Norway	53,637	53,021	45,570	54,331	46,448	58,310
Denmark	21,382	26,465	31,030	36,577	17,318	22,349
Iceland	5,218	5,518	10,121	9,471	12,419	14,505
Other foreign countries . .	901	1,552	532	1,266	1,110	3,625
British countries . . . . .	.....	.....	3	4	14	70

HERRING

In addition to the domestic catch of herring, there have been fairly heavy importations, particularly from Norway, as indicated by the following statistics:—

Imports of Herring

	1936		1937		1938	
	Cwt.	£	Cwt.	£	Cwt.	£
Total	402,081	180,955	358,464	198,590	386,989	170,449
Norway	394,419	176,730	351,472	194,769	378,568	167,744
British countries	6,070	3,737	4,085	2,912	1,966	1,367
Deep-sea fisheries	1,314	364	2,268	672	4,994	914
Other foreign countries . .	278	124	639	237	1,461	424

SALMON

The importation of fresh and frozen salmon in increasing quantities may be regarded as a logical development resulting from the inadequate supplies and high cost of Scotch salmon. A food such as salmon readily finds favour with the public and, as Scotch salmon is beyond the means of the majority of purchasers, it is natural that fishmongers should have sought supplies from other sources. The following tables of importations during the past three years indicate the pre-war position of the trade:—

Imports of Fresh and Frozen Salmon

	1936		1937		1938	
	Cwt.	£	Cwt.	£	Cwt.	£
Total	111,688	547,081	116,406	577,090	124,869	624,319
Canada	41,337	162,180	54,037	223,082	42,426	203,081
Eire	23,645	198,243	10,789	116,120	9,758	101,146
Newfoundland	16,878	75,577	20,849	96,781	23,142	117,772
Norway	5,664	33,098	7,804	64,877	7,541	59,282
United States	12,492	40,514	8,142	26,563	17,182	66,629
Denmark	6,667	22,670	7,761	27,263	10,456	34,107
Other countries*	5,005	14,799	7,024	22,404	14,364	42,222

* Mainly Japan.

The fresh salmon is imported from Eire, Norway, and Denmark, while the frozen salmon is obtained from Canada, Newfoundland, the United States, and Japan. In fact the total imports from each country are either fresh or frozen.

HALIBUT AND OTHER SORTS

Halibut is not separately classified in the United Kingdom import statistics but is included under the general heading "other sorts." The following table shows importations in the past three years:—

Imports of Other Sorts of Fresh and Frozen Fish

	1936		1937		1938	
	Cwt.	£	Cwt.	£	Cwt.	£
Total	349,844	657,714	380,064	744,866	378,643	736,579
Norway	117,387	252,908	123,481	270,649	104,974	228,155
Deep-sea fisheries	121,792	137,068	127,561	143,757	132,255	153,193
Belgium	14,189	58,897	19,970	79,114	18,913	68,471
Denmark	36,133	68,788	37,071	67,803	31,925	64,938
Canada	17,493	56,136	23,241	68,206	26,487	82,709
Netherlands	9,674	32,234	14,755	56,252	14,504	51,403
Iceland	18,168	25,227	20,231	34,068	34,490	62,019
Eire	6,539	8,133	6,983	9,178	6,856	8,486
Other foreign countries*	7,846	16,908	6,331	14,276	7,593	15,450
Other British countries	623	1,415	440	1,563	646	1,758

* Mainly Sweden, Hungary, and United States.

It is probable that most of the imports credited to Canada are halibut shipments. Exports of frozen halibut from Canada to the United Kingdom in the year ending March 31, 1938, amounted to 16,454 cwt. (of 100 pounds) valued at \$170,306.

PRE-WAR POSITION OF THE UNITED KINGDOM SEA-FISHING INDUSTRY

In recent pre-war years the United Kingdom Government has been called upon more and more to assist the sea-fishing industry of the United Kingdom; this assistance was in the form of three official reports and four Acts of Parliament. One of the principal branches of the trade which has suffered most is the herring industry, which has been and still is largely dependent on the export of pickled herring. International trade in cured herring has decreased

greatly, due to the policy of promoting self-sufficiency in production adopted by a number of countries, particularly Germany and Russia. German production in 1929 was only about 251,000 barrels, but by 1937 this had increased to 1,059,000 barrels. In the same period imports into Germany from all countries fell from 1,100,000 barrels to 540,000. Similarly Russia increased domestic production from 1,000 long tons in 1930 to 99,000 long tons in 1935. Even before the outbreak of war Russia no longer imported herring and other fish, as domestic supplies met all requirements. Imports from the United Kingdom by Germany, of course, have ceased.

Home consumption in the United Kingdom trade takes care of about 37 per cent of the total supply. The kipper is the most popular form of herring, and in 1937 the British public consumed about 300,000,000 kippers. In recent years, however, there has been a change over in domestic consumption, and herring has tended to lose favour. Nevertheless the whitefish industry has not flourished, due to a change in the conditions of production. In particular the changed conditions have led to fishing being conducted farther afield, as illustrated by the fact that in 1906 it was estimated that about 70 per cent of the fish landed were caught on voyages of less than a week, while in 1937 this proportion had fallen to 35 or 40 per cent. This development has brought with it the demand for larger and faster trawlers and a more intensified problem of storing fish in good condition until landed. Finally, the system of distribution has steadily increased the margin between dock and retail prices; while the net profit is nowhere great, the ratio between the price to the trawler and that paid by the consumer is reported to be as 1 to 2.

PRESERVED FISH

According to the preliminary report of the Fifth Census of Production, 1935, the United Kingdom output of canned fish in that year totalled 181,000 cwts. (of 112 pounds) valued at £387,000, of which herring accounted for 134,000 cwts. (£281,000), the remainder being made up of other fish and shellfish. The production of fish pastes amounted to 84,000 cwts. valued at £831,000. Thus the value of canned or preserved fish totalled about \$6,000,000. There is every reason to believe that this aggregate has since been exceeded, at least up to last September.

FISH CURING

Although figures of production by firms employing ten people or less are excluded from the official statistics, nevertheless some adequate measure of the extent of the fish-curing trade is indicated by brief reference to the figures provided by the preliminary report of the Fifth Census of Production, 1935. The total value of fish cured, smoked or salted in 1935 was £3,909,000, or not far short of \$20,000,000. The difficulties of the fish-curing trade will be readily apparent from a comparison of this total with that for 1930, which amounted to £5,796,000. The total for 1935 included: herrings, 2,531,000 cwts. (£1,977,000); cod, whole or split, 255,000 cwts. (£315,000); cod fillets, 209,000 cwts. (£387,000); haddock, whole or split, 291,000 cwts. (£727,000); haddock fillets, 33,000 cwts. (£82,000); salmon, 9,000 cwts. (£139,000); saithe, 129,000 cwts. (£98,000); other fish, 72,000 cwts. (£79,000); and unclassified fish, £105,000.

In 1933 the fish-curing trade consumed as raw material 3,007,600 cwts. of herring, 895,000 cwts. of cod and 484,600 cwts. of haddock, or a total of 245,538 short tons of fish.

FISH PRODUCTION IN GREAT BRITAIN

The following table shows detailed figures for the types and quantities of sea-fish landed in Great Britain (excluding Northern Ireland) in 1938, and

provides a statistical basis for the calculation of what may be termed normal annual consumption:—

Quantity and Value of Fish Landed in Great Britain, 1938

	England and Wales			Scotland	
	British Caught Cwt.	£	Foreign: Direct from Grounds Cwt.	British and Foreign Cwt.	£
Bream	25,084	12,637	3,173	.....	.....
Brill	14,409	55,493	436	973	2,766
Catfish	181,373	126,678	6,231	9,890	6,120
Cod	6,446,398	4,239,308	122,853	590,248	528,201
Conger eels	48,743	30,092	310	4,543	3,035
Dabs	66,131	88,466	6,465	14,952	14,634
Dogfish	164,183	101,807	481	.....	.....
Dory	2,126	2,002	260	.....	.....
Flounders	6,213	5,675	3	2,738	2,657
Gurnards and latchets ..	51,061	20,732	2,236	434	110
Haddock	1,833,213	1,696,184	41,678	1,054,464	1,063,348
Hake	639,359	1,184,420	11,329	34,450	59,665
Halibut	62,536	247,780	4,032	33,319	120,354
Lemon soles	84,049	261,257	5,707	70,055	250,863
Ling	178,044	88,453	3,708	58,668	34,503
Megrimms	77,468	83,165	2,944	15,240	23,895
Monks (anglers)	73,219	53,207	1,896	72,384	27,642
Mullet, red	513	1,317	143	.....	.....
Plaice	461,441	1,188,726	60,908	74,698	188,633
Pollack	24,119	18,629	465	.....	.....
Redfish	74,071	21,973	2,357	.....	.....
Saithe (coalfish)	544,751	146,375	7,125	73,232	20,556
Skates and rays	343,729	412,915	12,016	85,323	72,084
Soles	62,062	409,015	1,479	.....	.....
Squids .....	.....	.....	.....	1,061	336
Torsk (tusk)	25,587	12,758	133	32,579	15,732
Turbot	51,046	189,267	2,123	11,342	35,225
Whiting	269,397	202,499	5,092	326,434	280,004
Witches	30,323	39,500	7,130	25,179	45,735
Other kinds	124,211	100,516	10,779	29,250	64,384
Total	11,964,859	10,040,846	323,492	2,621,456	2,860,482
Herrings	2,586,592	804,082	6,340	2,801,083	1,062,999
Mackerel	137,859	84,732	1,007	63,290	19,308
Pilchards	46,131	10,908	.....	.....	.....
Sprats	111,523	29,064	.....	12,300	1,734
Sparlings .....	.....	.....	.....	121	431
Mullet, grey	817	1,558	.....	.....	.....
Whitebait	5,170	1,940	.....	.....	.....
Total	2,888,092	932,284	7,347	2,876,794	1,084,472
Grand total	14,852,951	10,973,130	330,839	5,498,250	3,944,953

With reference to the foregoing table, the names dory, gurnards and latchets, lemon soles, megrimms, saithe, torsk (tusk), sprats and whitebait are not used commonly by the fishing industry in Canada; some gurnards are found in Canadian waters, but there is little or no gurnard fishery. Soles are taken in Canada, but not the species known in the United Kingdom as "lemon" sole. Megrimms, saithe, sprats and whitebait are not taken by Canadian fishermen. Torsk (tusk) is called cusk, and while the name "coalfish" is used in the United Kingdom as an alternative for saithe, its use in Canada is limited to describing pollock (which, incidentally, is spelt "ock" in Canada but "ack" in the United Kingdom). Ling and mullet are names used in Canada, but possibly not in reference to the same fish as in the United Kingdom. Whiting may be silver hake. Monks (anglers) are monkfish or anglers. Redfish is known in Canada as rosefish. Turbot are not found in Canadian waters, although the name is sometimes loosely used for different kinds of flounders.

LONDON MARKET FOR COTTON HOSIERY

S. V. ALLEN, ASSISTANT TRADE COMMISSIONER

London, April 9, 1940.—During the years 1934-38 inclusive, total United Kingdom imports of cotton hosiery of all types averaged 1,356,245 dozen pairs per year with a value of £299,116. Such imports, based on United Kingdom production figures for 1935, the last year for which such data are available, normally constituted around 25 per cent of consumption in this country, the balance being supplied from domestic sources. Over this five-year period, imports from Germany declined by about 25 per cent, while consignments from Hongkong, Czecho-Slovakia and Italy increased at the expense of German trade. Annual sales by Japan, however, remained fairly constant at between 900,000 and 1,000,000 dozen pairs, except for a decline in volume in 1938 of about 30 per cent as compared with 1937.

The leading countries of origin in 1938 were: Japan, 701,340 dozen pairs (£67,243); Germany, 303,036 dozen (£170,880); Italy, 72,097 dozen (£12,231); Czecho-Slovakia, 58,719 dozen (£24,400); Hongkong, 189,007 dozen pairs (£16,578). The bulk of this trade has been in cheap merchandise with which, even under normal conditions, Canadian exporters would have found it difficult to compete to any marked extent. The average c.i.f. values of cotton hosiery imported in 1938, for example, ranged from about 2s. per dozen pairs (mainly cheap men's and children's hose of cotton) for the Japanese product to 11s. 3d. per dozen pairs (for women's lisle) for imports from Germany. At present imports from all sources except Empire countries have been either cut off or restricted.

TRADE REQUIREMENTS

While there is a great demand at present for cotton hosiery of all types, the shortage is more acute in respect to women's full-fashioned lisle than in other types, although unmercerized as well as circular-knit seamless and mock-fashioned hosiery for women are also in demand. Germany formerly supplied the bulk of the requirements for the full-fashioned types, the exports of which to England were subsidized, and the capacity of the industry in this country to manufacture suitable substitutes is relatively limited. The required gauges for this type of hosiery, which finds its most important outlet among departmental stores, are 39-48. Good appearance, such as is imparted to mercerized lisle which has been gassed, and good wearing properties are essential. The rising price of silk has started a trend towards the wider use of cotton hose by women, and in the finest gauges Sea Island cotton yarns provide the best substitutes for silk, since the appearance is much improved by the high grade of the material used. The requirements of London wholesalers who cater to the lower end of the trade both locally and in the provinces call for women's circular-knit hosiery, both seamless and mock-fashioned, varying in fineness from 200 to 300 needles.

CUSTOMS AND PAYMENT REQUIREMENTS

Cotton hosiery is subject to a duty of 20 per cent ad valorem when imported from foreign sources, but could enter free of duty from Canada provided the customs authorities accept the claim to preference on a certificate of origin on form 120 (Sale), which should accompany all shipments. The required Empire content is 25 per cent in this instance, and special endorsements on the invoice and certificate of origin regarding the source of the yarns used would be helpful in establishing claim to preferential treatment of the shipments concerned. Silk of any description incorporated in the hosiery, either

as an admixture to the yarn or attached for display or other purposes, would render the merchandise liable for duty.

Payment can at present be arranged without difficulty by United Kingdom importers under an open general licence applying to cotton hosiery of Empire origin. No individual importers' licences are required, and purchases from Canadian sources could be arranged without reference to the value of similar trade done in the past.

OPPORTUNITIES FOR CANADIAN MANUFACTURERS

Providing cotton hosiery from Canada can still be imported into the United Kingdom under the open general licensing regulations at present in effect, it should be possible for Canadian hosiery of this type to be sold in London. There is some interest in plain men's cotton socks and children's cotton hose, in addition to women's hosiery of the types previously mentioned. United Kingdom hosiery manufacturers are having difficulty in obtaining their full requirements of cotton yarns at present, as a result of which domestic deliveries are not being maintained. In addition, supplies of other forms of cheap continental hosiery, including artificial silk, have been cut off, and with the high prices ruling for hosiery of pure silk, increased interest is being shown by the buying public in cotton hosiery of all types. It is impossible to indicate the prices obtainable under present conditions but, providing prices are right, Canadian manufacturers would have no difficulty in obtaining substantial orders for forward shipment. The Canadian Trade Commissioner's office in London would be glad to put interested manufacturers into touch with a suitable agent. For this purpose samples of either circular-knit or full-fashioned cotton women's hosiery and men's and children's socks should be forwarded to this office, together with prices which should include an agent's commission of 5 per cent. Prices f.o.b. Canadian port of exit are required. Delivery period and quantities available of each type should also be mentioned.

MARKET FOR BUTTONS IN LONDON

S. V. ALLEN, ASSISTANT TRADE COMMISSIONER

London, March 29, 1940.—Buttons may still be imported into the United Kingdom from Canada without restriction for sale through customary channels of trade. An extensive market for this product is provided by the clothing industries of the United Kingdom, whose requirements are met from both domestic and foreign sources. Despite the fact that the making-up trades are mainly located in provincial areas, London is the most important distribution point for imported buttons used in other parts of the country as well as in London.

DOMESTIC PRODUCTION

Figures given below cover the production of buttons in the United Kingdom during 1934 and 1935, the latest years for which such data are available:—

United Kingdom Button Production

Types	1934		1935	
	Gross	£	Gross	£
Total..	4,925,000	679,000	5,549,000	743,000
Horn and bone	442,000	56,000	343,000	47,000
Corozo, celluloid, zylonite and similar	1,877,000	112,000	2,507,000	149,000
Casein	2,219,000	480,000	2,150,000	447,000
Mother-of-pearl	187,000	43,000	184,000	46,000
Other types (except metal)	269,000	21,000	286,000	21,000

IMPORTS

The following comparative figures of United Kingdom imports for the years 1937 and 1938 for similar types of buttons, indicate the extent to which this market is normally dependent on supplies from abroad and also show the leading countries of origin for the types of buttons mentioned:—

United Kingdom Imports of Buttons

Types and Main Countries of Origin	1937		1938	
	Gross	£	Gross	£
Horn, bone and mother-of-pearl—				
Total	734,097	32,919	401,213	19,487
Japan (including Formosa)	556,107	15,555	264,668	9,149
Czecho-Slovakia	46,865	6,387	61,332	5,239
Germany	55,408	6,032	39,509	2,765
British Empire	7,872	1,022	2,951	388
Corozo, celluloid, glass, casein—				
Total	7,126,809	319,650	5,506,806	236,241
Italy	2,170,611	81,117	2,197,055	64,816
Japan (including Formosa)	2,098,613	62,652	1,088,490	28,509
Czecho-Slovakia	769,937	84,683	787,375	75,440
Germany	278,524	32,860	276,336	25,806
France	71,580	5,876	53,848	5,050
British Empire	1,330,209	33,524	905,198	24,624
Metal—				
Total	2,116,718	39,277	1,690,871	37,343
Germany	1,147,429	13,432	866,195	11,121
Czecho-Slovakia	929,612	22,086	717,186	20,637
British Empire	13,628	1,149	13,865	802
Other descriptions—				
Total	6,302,314	241,946	4,104,638	164,177
Japan (including Formosa)	5,123,544	136,446	3,041,528	83,900
Czecho-Slovakia	619,245	67,740	430,853	37,285
Germany	272,343	16,096	310,590	19,470
France	42,671	6,628	43,686	6,538
British Empire	21,119	1,407	42,591	2,985

Czecho-Slovakia, in terms of value (£130,601), was the largest supplier of buttons to the United Kingdom in 1938, followed by Japan (£122,558), Italy (£64,816), and Germany (£59,162). Malta and the Anglo-Egyptian Sudan are shown to be the main Empire sources of buttons, particularly those included in the second category, such as corozo buttons, but the import figures are not sufficiently detailed to permit analysis of the increasing trade done in this market in recent years by Canadian manufacturers, as the trade returns include Canadian shipments with those from other parts of the British Empire. Canadian trade figures, however, indicate that exports of buttons to the United Kingdom for the twelve months ending September, 1939, were valued at \$46,149 as compared with \$16,035 for the corresponding 1937-38 period. When later figures are available they should show further substantial increases in this trade, due to the preferred position now enjoyed by Empire countries as a result of United Kingdom restrictions applying to buttons of foreign origin since the outbreak of war.

ORGANIZATION OF THE TRADE

Both as regards volume and variety, London offers a large market for buttons of all types. Sales are usually made by agents, operating on a commission of 5 to 7½ per cent, to importers whose travellers in turn sell to wholesalers or clothing manufacturers in the Leicester, Nottingham, Manchester, and Leeds areas, in which important sections of the making-up trades are located. It is customary for London importers to concentrate on specific types of buttons suitable for the branch or branches of the garment industry to which they cater. For example, some ten or twelve large London firms handle the bulk of the business in Japanese pearl buttons for the knitting and shirt

trades, although there are one or two large direct buyers in the Leicester area performing similar services. London is the main area of consumption for fancy buttons, both of the cheaper and better types suitable for the dress trade, as the bulk of the manufacturers are located there. It is advisable for Canadian manufacturers to have an agent whose contacts are with importers dealing in the types of buttons for which an outlet is desired, although under present conditions of short supply it is conceivable that buyers may be willing to place orders direct with overseas manufacturers either against letter of credit or for payment against documents, independently of an agent. It should be pointed out, however, that in the long run the payment of commission to an agent should be worthwhile, if something more than a temporary outlet is desired in this market.

TYPES OF BUTTONS IN DEMAND

While, except for the staple lines of buttons, it is difficult to detail the requirements of the market and current prices, the following are the main types of buttons for which London offers an outlet:—

COROZO AND DUM-NUT

Italy, Czecho-Slovakia and Japan have been the principal suppliers of corozo and dum-nut buttons, which are used mainly by manufacturers and tailors of men's clothing. The corozo buttons are of good quality, while dum-nut buttons, due to their oil content which imparts a lesser gloss, meet the demand for a cheaper class of trade. Imports from Italy, which are subject to licence, are on a restricted basis at present, as licences granted permit only imports up to 50 per cent of corresponding imports in 1939 of these types of buttons. No licences are being issued for imports from Japan. Pressed or moulded buttons of composition and plastic materials are being used increasingly as substitutes for cheaper types of ready-made or semi-ready men's and women's factory-made clothing.

PEARL

The demand for pearl buttons of Japanese origin is for several types: good quality Trocha; lighter quality Hirose shell, fresh-water shell; and the very cheap Sazae buttons. These are all imported in ring-edged and tulip shapes and self-shanked. The main requisite is a good white colour, but regularly drilled and spaced holes are important, particularly for those types which are sewn on by machinery. Pressed or moulded synthetic or imitation pearl buttons, suitable for the pyjama, shirt and underwear trades, as well as for sweaters, and satisfying these requirements, are being used as substitutes. Japanese pearl button prices are subject to marked variations, and due to reported labour and raw material difficulties, quotations since the outbreak of war have advanced materially. The following are approximate current button prices to consumers for the qualities mentioned, although it should be noted that they are subject to day-to-day fluctuations and may therefore not apply at the time of publication of this report:—

	Per Gross	
Trocha pearl—	s. d.	
18 line (shirt; tulip-shaped)	2 9	
26 line (pyjama; tulip-shaped)	5 3	
18 line (sweater; self-shanked)	4 0	
26 line (sweater; self-shanked)	10 6	
	Per Great Gross	
Hirose pearl—	s. d.	
18 line (shirt; tulip-shaped)	21 0	
26 line (pyjama; tulip-shaped)	45 0	
Fresh-water pearl—		
18 line (tulip-shaped)	17 0	
26 line (tulip-shaped)	26 0	
Sazae pearl—		
18 line (tulip-shaped)	7 6	

Certain synthetic or imitation pearl buttons which compete with the third grade are being sold at around 13s. 6d. per great gross for 18 line and 20s. for 26 line.

Between September and December, 1939, import licences for Japanese pearl buttons were not being issued, but licences are now being granted to the extent of 75 per cent of trade done in the corresponding period of 1939.

CASEIN

The dress trades offer the best outlet for plain and fancy buttons of casein materials such as erinoid, catalin, etc., in which United Kingdom manufacturers dominate the market. Only limited quantities of Canadian buttons of this type have been sold in this market, and in the absence of competition from Germany and Czecho-Slovakia the position of United Kingdom manufacturers is being strengthened, as they are producing cheap but attractive designs. Deliveries at present, however, are in arrears.

MOULDED

This category includes buttons manufactured from bakelite and similar plastic materials, which have been used to an increasing extent in the low and medium priced clothing and knitting trades, where they have to some extent replaced more expensive types of buttons. The regularity of design and holes of moulded buttons, which can easily be attached by machine, make them suitable for factory-made garments, such as suits, overcoats, sweaters, shirts, pyjamas, etc. In the men's clothing trades standard grey, black, and brown buttons replace corozo and dum-nut buttons from Italy and Japan, and for these uses a good bright finish and rich clear colours are required. Some trade in staple lines of this type is being done by Canadian manufacturers. Even for hand-tailored men's clothing, particularly sports clothes, very good moulded imitation horn buttons are being supplied by United Kingdom and French, and formerly by German, manufacturers. In the shirt and pyjama trade, moulded buttons made from white powdered synthetic materials are being used in place of Japanese pearl buttons. Manufacturers of women's clothing and the chain store trade offer outlets for self-coloured and self-shanked half-dome shapes of moulded buttons suitable for costumes, knitwear, etc. So far satisfactory mottled effects in buttons for this trade have not been achieved, which seems to be the main obstacle to increased sales of this type.

WOODEN

Wooden buttons have usually been supplied from continental sources, mainly Czecho-Slovakia, for the women's dress and coat trades of London, and to a limited extent for sweaters and other garments. The demand is not as extensive as formerly, although quantities of buttons in hard woods, with either stamped or carved designs, both decorated and unpainted, might be sold under present conditions if prices were competitive with those quoted by a recently established United Kingdom manufacturer.

CELLULOID

Buttons of celluloid have been declining in popularity for some years due to possible fire hazard. Some time ago a Home Office Committee recommended the prohibition of sale to the general public in the United Kingdom of celluloid articles, and as a result of the attendant publicity there is definite prejudice against the use and insurance of articles containing celluloid. For low-priced

dresses their cheapness formerly recommended their use, but Canadian manufacturers found it difficult to compete with celluloid buttons of United Kingdom or foreign manufacture.

GLASS

In the past, Czecho-Slovakia and to a lesser extent, France, have been the main suppliers of glass buttons suitable for women's blouses and shirt-waists. The Gablonz products are being replaced to some extent by erinoid and catalin buttons of United Kingdom origin of effective and attractive designs.

Most of the above-mentioned and other types of buttons are imported loose for carding, where desired, and for re-packing to suit local requirements of various trades. This method facilitates the adjustment of number and size of buttons to suit the type of trade and the price required. This is particularly advantageous for importers purchasing buttons suitable for the notion-counter or chain-store trade. In addition to a saving on incoming freight charges, the importers' carding cost is very low, averaging about 3d. per gross. This is believed to be much lower than the corresponding Canadian costs.

CUSTOMS REQUIREMENTS

Buttons of Canadian origin are free of duty on importation into the United Kingdom providing their Empire labour and/or material content is 50 per cent or over, as calculated in accordance with the United Kingdom Preference Regulations. Shipments from Canada must be accompanied by a certificate of origin on Form 120 (Sale) specifying this content. Foreign buttons are at present assessed for duty at a rate of $33\frac{1}{3}$ per cent ad valorem.

In view of recent increases in the prices of raw materials available to Canadian manufacturers, it is advisable for exporters with no experience of this market to supply detailed costings with the first shipment for submission to the United Kingdom customs, in order to establish their title to preference. Full information regarding the procedure and requirements are given in a special leaflet obtainable from the Department of Trade and Commerce on request. Canadian manufacturers should not overlook possibilities for utilizing United Kingdom or Empire materials in the buttons manufactured for this market, in order to attain the minimum Empire content required for entry at the free rate of duty. Special endorsements on invoices and certificates of origin covering shipments of buttons manufactured from Empire materials, indicating the sources of the raw materials used, may facilitate their clearance through the Customs in doubtful cases.

MARKING REGULATIONS

In August, 1939, the Merchandise Marks Standing Committee proposed that imported buttons should be accompanied by an indication of origin (see *Commercial Intelligence Journal* No. 1857: September 2, 1939, page 471). These recommendations have not yet been made effective, and it is extremely unlikely that the required legislation will be introduced during war time. For the present, therefore, no indication of origin is required on cards, cartons or other containers in which buttons may be imported from Canada.

IMPORT LICENCES

At present and until further notice, buttons of Empire origin can be imported into the United Kingdom and paid for under an open general licence, so that no payment difficulties are therefore being experienced in the case of buttons of Canadian origin. On the other hand, buttons of foreign origin are not only subject to import licence but licences are being granted on a restricted basis, mainly for Japanese pearl buttons and corozo buttons from Italy.

OPPORTUNITIES FOR CANADIAN EXPORTERS

Since the end of September, 1939, the office of the Canadian Trade Commissioner at London has received an increasing number of inquiries for Canadian buttons from London agents. At the present time, imports from foreign sources have either been stopped or are being arranged on a restricted basis, and United Kingdom manufacturers may be expected to increase their share of the business in certain types, subject to any limitations placed on the purchase and utilization of raw materials in this country. The best opportunity for Canadian manufacturers, providing imports from Canada can still be arranged without licence, would seem to be for types of moulded plastic buttons suitable for factory-made clothing such as shirts, pyjamas, underwear, suits, overcoats, sweaters, etc. Canadian manufacturers of staple lines of synthetic or moulded buttons who are not already selling in the United Kingdom should get into touch with the Department of Trade and Commerce, Ottawa, where a record of inquiries received by the Trade Commissioner in London is on file. For follow-up purposes interested manufacturers should supply this office with copies of any correspondence directed to the firms in question, Canadian firms already selling in this market, providing the open general licensing arrangements continue in effect, may be expected to maintain and even increase their button sales, subject, of course, to the danger of increased competition which might result from any relaxation of the restrictions now applying to competing buttons of foreign origin.

BOX SHOOK REQUIREMENTS IN THE UNITED KINGDOM

L. H. AUSMAN, ASSISTANT TRADE COMMISSIONER

Bristol, April 3, 1940.—In a report on "Timber Trade Control in the United Kingdom," published in *Commercial Intelligence Journal* No. 1884 (March 9, 1940), reference was made to the establishment of the British Boxboard Agency Ltd., to act as sole importers, on behalf of the Timber Control, of boxes and box shooks. The organization is interested in receiving offers of suitable material at competitive prices from Canadian manufacturers, and for this purpose two of its representatives are at present in Canada. It is suggested that firms interested in the United Kingdom market for box shooks should communicate with one of the following:—

- A. Peto Bennett, Esq., % 916 University Tower Building, Montreal.
- C. F. Sleep, Esq., Vancouver Hotel, Vancouver.

ECONOMY IN THE USE OF BOXES

Due to the difficulty of securing adequate supplies of shooks from Scandinavian* and Baltic countries, or in obtaining the release of timber from stocks in this country for making boxes, manufacturers whose products require wooden packing cases are somewhat concerned over the problem of supplies even though they may not yet have actually suffered any serious inconvenience. Where the nature of the distribution is such as to render the return and re-use of boxes a practical proposition every effort is being made to fall in line with the recommendations of the Timber Control Economy Branch in this connection. In many instances, too, it is possible to use crates instead of solid boxes, and a case of lighter construction is often found to be equally satisfactory and, at the same time, to effect a saving in transportation costs.

*It should be noted that this report was written and mailed before Germany's invasion of Norway.

VARIETY OF SIZES

A survey of the requirements of a number of firms in the West of England and the South Midlands indicates the wide variety of sizes of boxes required by various manufacturers, and even by individual firms. While many firms have unit packages of a few sizes which are more or less standard, others make up shipments which vary considerably in size, and for which the cases usually have to be built specially either on the premises or by a local box-maker. Depending upon the nature of the distribution, the unit package may, or may not, lend itself to the policy of return and re-use. Generally speaking, the box specially built for shipping a particular order does not do so. There is, however, a salvage value in nearly all boxes now, and few, if any, are wasted or lie unused for any length of time.

USE OF FIBRE CONTAINERS

In recent years there has been a tendency in the United Kingdom, as elsewhere, to replace wooden with fibre containers, especially for inland shipments. Some products, such as tins of paint, are despatched even in open top cartons. Under present conditions the trend towards fibre containers might have been greatly accelerated were it not for the fact that the supply situation applying to fibreboard and cardboard is equally as serious as that relating to timber. Home-produced material is rationed, and imports are subject to restrictions imposed by the Paper Control Department of the Ministry of Supply. Details regarding the latter regulations will be found in the *Commercial Intelligence Journal* No. 1884, pages 361-3.

HARDWOOD FLOORING IMPORT RESTRICTIONS IN THE UNITED KINGDOM

L. H. AUSMAN, ASSISTANT TRADE COMMISSIONER

Bristol, April 8, 1940.—In accordance with the policy adopted by the Timber Control Department of the Ministry of Supply to economize in the importation and consumption of timber of all kinds, but particularly those not essential to the prosecution of the war, it has been ruled that at the present time hardwood flooring of every description must be considered of secondary importance in relation to timber for vital war purposes. The Control authorities are, therefore, not purchasing any prepared flooring from overseas, nor are licences being granted to individual firms to do so. Imports of such material, in the form of planks, boards, or strips, as may be required for essential national service, will be considered only in the light of existing freight and exchange conditions.

CANADIAN FLOORING

The supply position so far as Eastern Canada is concerned is at present particularly difficult because freight from that source is being taxed to the utmost, and it is essential to reserve all available space for material urgently required for national service. Prepared hardwood flooring of any description cannot, in the official view, be so classified under present conditions. Furthermore, the currency question has to be considered, and it is felt that wherever possible dollars should be conserved for essential imports of food, aircraft and armaments, and other raw materials, including timber, which Canada is supplying.

CURRENT FLOORING REQUIREMENTS

In many cases where wood flooring is required it is possible to use timber more easily available from a shipping point of view than Canadian birch and

maple. On the other hand, substitutes, such as cast iron and concrete, covered with linoleum, where necessary, are being utilized for flooring purposes in factories and army huts. For hardwood flooring purposes which are considered essential from the national viewpoint there are at present fairly large stocks of Canadian birch lumber in the United Kingdom. This lumber could, if necessary, be made into flooring material, although it is appreciated, of course, that its cost would be in some instances higher than imported prepared flooring. The controlling factor, however, is that this material is already on hand, and under present conditions the cost would rank as subsidiary to freight space.

Certain quantities of Australian and Burmese flooring timbers, such as jarrah, teak and gurjun, have been purchased by the Timber Control; but most of this material is imported in planks, boards, or strips, so that it may be used for purposes other than flooring should the need arise. With regard to these sources, too, it may be said that both the shipping and exchange situations are a little more favourable than in the case of Canada.

While the Timber Control, under present conditions, is reluctantly unable to recommend the issuance of import licences for hardwood flooring of every description, the question may be reviewed if and when the situation improves.

SCOTTISH INDUSTRY AND TRADE IN 1939

G. B. JOHNSON, CANADIAN TRADE COMMISSIONER

Glasgow, March 28, 1940.—The recession in industry and trade which began in this country in 1937, following a period of great industrial expansion, continued throughout 1938 and well into 1939. It was mainly due to the successive international crises which culminated in the outbreak of war on September 3, 1939. The transition of industry from peace to war was carried out with remarkable celerity and showed that a comprehensive scheme of industrial mobilization had not been overlooked, including an elaborate system of control of trade and industry.

One of the most gratifying features of British economy, because of its vital importance to the allied war effort, is the manner in which the export trade, after some months of decline and hesitation, has resumed its upward course. The accumulation of great credits abroad from the sale of exports to pay for essential imports of war supplies, raw materials and food is no less important than maintaining at home a peak factory output of munitions and supplies. The British Prime Minister is the authority for the statement that British exports in December, 1939, were greater in value than the monthly average for the three months preceding the outbreak of war.

SHIPBUILDING

At the beginning of 1939 the Clyde shipbuilding yards had comparatively few orders on hand for mercantile tonnage as compared with the high output in 1938. On the other hand an immense program of warship construction was in progress, but it was being handled by a comparatively small number of firms. During the first quarter of 1939 not more than one merchant ship was being ordered for every six ships launched. Many new orders were subsequently placed, but these will not appear in the launching returns until later in 1940, when the output from the shipyards and marine engineering establishments will be multiplied month by month. In April, as a result of a Board of Trade announcement of plans to assist British shipping and shipbuilding, there were more orders received for cargo and tramp tonnage than had been placed in the previous eighteen months. Recovery was rapid, and

in the next three months British shipbuilders laid down over 400,000 tons, which was almost as much as was recorded for all other countries combined.

In time of war the actual statistics of production are not available, but it is apparent from the above figures that British shipbuilding districts, including the most important of all, the Clyde, are operating to capacity. During the year hardly a week passed in which a ship, large or small, was not launched for the Royal Navy. Warships and cargo carriers account for the bulk of the ships launched on the Clyde.

IRON AND STEEL

Since April, 1939, activity in the iron and steel trades in Scotland, as in Great Britain as a whole, has been unusually heavy. During the first three or four months of the year the industry was fairly well supplied with orders, but the comparative quietness of this period was in the nature of a carry-over from the dullness of 1938, as the rearmament orders from the Government had not reached the volume attained later when every unit of the trade was under pressure.

While the greater part of the output of this industry, as also that of the shipyards, engineering establishments and munition factories, is, of course, required for national defence purposes, the importance of maintaining the export trade of the country is recognized. Indeed, the drive for export trade, which in the early days of the war was somewhat disregarded because of the easier and more convenient home market, has recently assumed a wartime urgency because of the necessity of providing foreign exchange to pay for the huge imports of food, raw materials and finished munitions of war. At the same time it is desired to minimize the dislocation of trade that will inevitably follow the conclusion of the war by maintaining as far as possible the normal volume of exports and to lay the foundation for new business. With Germany out of world trade, apart from that with surrounding neutral countries, the opportunities for trade expansion were never better, were it not for the great activity among most sections of industry working on orders for home account.

ENGINEERING

When it is considered that the Clyde Valley now maintains at least twenty-two shipbuilding establishments and is by far the greatest shipbuilding district in any country, it is not surprising that the engineering industry in the West of Scotland is so great, particularly marine engineering, and so diversified. There is brisk activity in all branches of the industry, numerous establishments being busy with machinery, boilers, etc., for new Admiralty vessels, while other firms have an immense amount of work for the War Office and Ministry of Supply. The aircraft industry is of increasing importance in the Glasgow area, and numbers of firms are being continually added to the list of contractors and sub-contractors working for the Air Ministry.

The variety of engineering work, ranging from small precision machines to the largest units of modern mechanical engineering, is evidence of the versatility of the Clyde plants and workers.

COAL

Since the beginning of the war, no official statistics relating to the coal trade have been published, and no adequate summary of conditions in the coal-mining industry in 1939 is available. An increase in wages of 8d. per shift was awarded as from November 1. In consequence of this and other increases in costs, the Secretary of Mines issued an order on November 3 authorizing an increase of 1s. per ton on all contract prices.

BORDER DISTRICT WOOLLEN TRADE

The woollen trade has been operating satisfactorily since the beginning of the war, mainly on the production of khaki serge and overcoating. The civilian trade, while necessarily in a secondary position, has been as active as conditions permit. Sales to the United States were greatest, following those on the home market. Until the opening of hostilities between Finland and the Soviet Union, an increasing volume of business was done with the Scandinavian countries.

Hosiery firms are experiencing similar conditions and are working mainly on huge orders for the Government.

The demand for underwear and sportswear is greater than the factories can cope with, because of government orders. Factories are busier than they have been for years.

JUTE TRADE

In the jute trade spinners and manufacturers have been kept busy, but raw material values have been fluctuating, resulting in irregularity in prices of the finished goods. The weekly output of sandbags for the Ministry of Supply has now been reduced to 2,000,000 bags. An order for 500,000,000 was placed by the Ministry with Calcutta mills for February-to-April delivery. This tended to increase fibre prices.

Prices c.i.f. United Kingdom of the two standard Indian jute cloths—10-ounce, 40-inch Calcutta hessian—advanced from 19s. 1d. per 100 yards on August 1, 1939, to 47s. on December 1, declining to 40s. 3d. on December 31.

There was a steep rise from the outbreak of war to some time in December, the peak price representing an approximate increase of 150 per cent on pre-war quotations.

IRELAND'S EXTERNAL TRADE IN 1939

JAMES CORMACK, CANADIAN TRADE COMMISSIONER

Dublin, March 19, 1940.—The "crisis" of 1938 stimulated trade in Ireland at the end of that year, to the detriment of trade for the period of the year under review prior to the actual outbreak of war. Merchants on both sides of the Channel did not wish to be caught short of supplies on a rising market, and rush orders were frequent and extensive. Early in 1939 the trade slumped again, but revived even more intensively after September. The working of the United Kingdom-Eire Trade Agreement cannot be fairly gauged because of these factors, although the fact that the United Kingdom share of the total trade increased from roughly 50 per cent of the total imports in eight months of 1938 to 55 per cent for the corresponding period 1939 indicates that it has had a distinctly favourable bearing.

Owing to the establishment and protection of local industries, many of them branches of British and other firms, it will be practically impossible for the United Kingdom to regain its former predominant position in supplying manufactured goods to Eire and even slight percentages of increase are noteworthy.

There seems little doubt that Ireland's export trade has benefited greatly by reason of the war. Great Britain purchased 100 per cent of Ireland's exports from the outbreak of war to the end of the year as compared with over 90 per cent in the corresponding period of the previous year. Most of these exports were foodstuffs, largely agricultural produce such as cattle, sheep, swine, poultry, butter, eggs, bacon and ham. Formerly these had to be shipped at bounty-fed prices, owing to world competition for the valuable British

market. Since the war, by agreement between the two countries, trade is moving freely, both now realizing their economic dependence upon each other during wartime.

TOTAL TRADE

The value of Ireland's external trade in 1939 was considerably greater than in 1938, amounting to £70,399,447 as compared with £65,659,708 in the latter year. The expansion covered both imports and exports, but, due to the greater relative expansion of exports, the unfavourable balance of trade continued to decline, falling by nearly half a million pounds sterling to £16,595,421. The value of imports from all countries rose from £41,414,051 in 1938 to £43,497,434, and the value of total exports from £24,245,657 to £26,902,013. The rise in value of imports is mainly accounted for by an increase in purchases from Great Britain, doubtless in great part due to urgent buying on the outbreak of war from a supplier with quick deliveries and a short freight haul, and by the fuller operation of the London Trade Agreement.

It is unfortunate that the trade of the war period cannot be shown in any detail, the Government of Ireland having ceased computing statistics by countries of origin after August, 1939. Comparisons can only be made, therefore, from the figures for the first eight months of the years 1938 and 1939. Imports from Great Britain rose in that period by £1,735,418, or over 80 per cent of the total increase in Irish trade. The only other countries showing a radical change in value of trade with Ireland were the United States and Argentina. The former country's trade fell by nearly £1,000,000, or by one-third of the 1938 total. That of Argentina increased by a somewhat similar figure to almost treble its normal value. As imports from both consist mainly of maize and wheat (for which trade both countries compete to the virtual exclusion of all others, except for the wheat of Canada and Australia), it is assumed, in the absence of figures, that imports of these commodities account for the changes in the value of the trade of Argentina and the United States with Ireland.

The major suppliers with small increases in trade were: Palestine (mostly oranges), Northern Ireland, India (mostly tea), South Africa (fruit), West Africa (cocoa), France (silks and wines), Italy (cloth), Holland (various), Norway (fish), Poland (timber), Portugal (wine), Switzerland (watches, etc.), and Sweden (wood and paper).

Countries with losses in trade values were: Canada, with a decrease of £85,138 or roughly 9 per cent, more than accounted for by the low price of wheat, imports of which were £100,000 lower in value although the quantity rose some 500,000 bushels; Belgium (cement, metals, etc.); Czecho-Slovakia (glass, etc.); Finland (timber and paper); Germany (electrical goods, etc.); Japan (silk and cotton fabrics, etc.); Russia (timber); Spain (fruit); and Yugoslavia. India (tea) and many other suppliers show very little change.

TRADE BY COUNTRIES

The following table shows Ireland's imports and exports by countries for the first eight months of 1938 and 1939:—

Ireland's Imports and Exports by Principal Countries

	Imports		Exports	
	January-August 1938	1939	January-August 1938	1939
Total..	£26,851,455	£28,172,614	£14,558,674	£15,663,458
Great Britain..	12,983,324	14,728,742	11,786,304	12,915,630
Northern Ireland	375,187	523,129	1,581,585	1,592,856
Australia	661,245	469,934	5,589	5,132
Canada	999,790	914,662	18,519	25,187
British India	920,527	924,218	23,747	22,235

Ireland's Imports and Exports by Principal Countries—Concluded

	Imports		Exports	
	January-August 1938	1939	January-August 1938	1939
British Malaya	62,248	53,004	21,586	21,901
Palestine	96,532	114,121	3,373	2,006
South Africa	45,936	69,420	13,150	13,024
British West Indies	81,834	56,575	15,456	17,575
British West Africa	64,670	89,398	2,206	2,225
Argentina	723,765	1,716,353	26,437	1,366
Belgium	702,153	556,257	63,280	52,538
Brazil	87,462	99,981	625	241
Czecho-Slovakia	160,169	68,598	5,897	201
Denmark	129,941	109,125	7,645	11,971
Netherlands East Indies	274,211	309,055	1,826	704
Finland	272,497	248,386	422	294
France	359,147	473,049	58,631	13,041
Germany	1,036,938	896,970	649,831	628,823
Iran	154,195	160,011	363	278
Italy	114,811	176,143	61	9
Japan	309,851	159,047	.....	.....
Latvia	71,910	85,334	.....	.....
Netherlands	317,244	354,255	46,324	47,709
Norway	60,300	64,479	1,389	2,160
Poland (including Danzig)	114,802	119,838	.....	1,694
Portugal	75,900	93,666	7,707	2,508
Spain	113,369	104,269	22,406	4,368
Sweden	324,774	372,197	7,507	12,616
Switzerland	67,016	101,571	37,374	46,999
United States	3,142,354	2,179,041	56,011	120,410
Soviet Russia	182,178	96,410	15,278	.....
Netherlands West Indies	344,112	317,721	354	416

TRADE WITH CANADA

Imports from Canada in the first eight months of 1939 declined in value to £914,662 from £999,790 in the first eight months of 1938. This is only the second time in eight years that the value of imports from Canada has decreased.

Since statistics of trade by countries, as previously explained, are not available for the whole of 1939, the value of the large purchases from Canada, mostly of wheat and timber, which took place in the fall, cannot be given. It will be noted that, if it had not been for the low price at which wheat was bought from Canada in 1939, these figures would have been entirely different. It should be noted further that Ireland brings from stocks in the United Kingdom quite a lot of Canadian goods that lose their Canadian identity so far as statistics are concerned. If they were credited to Canada, imports from the Dominion would make a better showing.

Canada's few purchases from Ireland actually increased in 1939. For the eight months they were valued at £25,187 as against £18,519 in 1938; but they continue to represent only about one-fortieth of the value of Irish imports from Canada.

CHIEF IMPORTS FROM CANADA

The values of the chief imports from Canada for the first eight months (January to August) of 1939, in order of their value, with figures for the corresponding period of 1938 within parentheses, were as follows: Wheat £563,998 (£678,683); sawn softwood, £104,627 (£55,324); newsprint, £55,568 (£84,000); apples, £42,303 (£1,492); agricultural machinery, reapers and binders, £14,774 (£611); photographic plates and films, £11,962 (£9,420); cardboard, etc., £8,121 (£3,526); medicines and medicinal preparations, £6,710 (£1,665); electrical machinery, £6,616 (£489); skins and furs, dressed, £6,176 (£5,945); sawn hardwood, £5,848 (£3,521); wheaten flour, £4,894 (£4,868); electrical ware, £4,607 (£6,120); silk and artificial silk hosiery, £5,263 (£3,383); fruit pulp or juice, £3,956 (£1,790); sheets and slabs of fibre, etc., for building, £2,465 (£3,223).

IMPORT TRADE

The following table shows Ireland's total imports according to principal commodity groups for the eight months ending August, 1939, with comparative figures for the first eight months of 1938:

	January-August	
	1938	1939
Total imports.. . . .	£26,851,455	£28,172,614
Live animals.. . . .	591,883	729,402
Food, drink and tobacco.. . . .	7,496,181	7,665,048
Foodstuffs of animal origin.. . . .	352,719	437,280
Cereals and feeding stuffs.. . . .	4,010,316	3,914,865
Fruit, vegetables, etc..	886,194	993,282
Miscellaneous articles of food.. . . .	1,527,198	1,745,982
Drink.. . . .	416,835	425,136
Tobacco.. . . .	302,919	148,503
Other raw materials and manufactured goods.. . . .	18,146,648	19,086,285
Non-metalliferous mine and quarry products and manufactures.. . . .	3,088,061	3,195,528
Iron and steel and manufactures thereof (excluding cutlery and machinery).. . . .	1,460,362	1,479,537
Non-ferrous ores, metals and manufactures thereof.. . . .	427,937	371,501
Cutlery, hardware, implements and instruments.. . . .	359,799	387,552
Machinery, electrical goods and apparatus.. . . .	2,064,116	2,002,560
Vehicles (including locomotives, ships, aeroplanes and parts).. . . .	1,361,402	1,468,500
Wood, timber and manufactures thereof.. . . .	930,289	802,399
Textiles (except apparel).. . . .	2,686,525	3,008,366
Apparel.. . . .	567,355	604,143
Hides, skins, leather and manufactures thereof (except apparel).. . . .	419,385	467,892
Rubber and rubber manufactures (except apparel).. . . .	169,594	192,611
Paper and cardboard, etc.. . . .	808,030	820,299
Oil seeds, oils, fats, etc., and manufactures thereof.. . . .	1,348,548	1,358,228
Fertilizers.. . . .	328,208	379,297
Chemicals, drugs, perfumery, dyes and colours.. . . .	745,752	830,175
Miscellaneous articles, raw and manufactured.. . . .	1,381,285	1,717,697

IMPORTS BY PRINCIPAL COMMODITIES

Following are comments on the more important items or groups of items making up Ireland's import trade in the first eight months of 1939 (January to August), with brief notes on Canada's participation where statistics are obtainable. Figures for the corresponding period of 1938 are shown in parentheses. Round figures are used throughout.

Live Animals.—Total imports were valued at £729,402 (£591,883). Canada participated in this trade only to the extent of £47.

Foodstuffs of Animal Origin.—Fish, fresh or frozen, totalled 52,197 cwts. valued at £110,558 (98,927 cwts. at £154,842); imports from Canada were 3 cwts. at £303 (186 cwts. at £1,024). Fish, preserved, canned, etc., amounted to 30,763 cwts. valued at £73,333 (26,485 cwts. at £57,887), the quantity from Canada being 179 cwts. at £1,505 (231 cwts. at £1,615).

Cereals and Feeding Stuff.—Total imports of wheat rose to 5,629,370 cwts. valued at £1,549,787 (4,219,188 cwts. at £1,970,824). Supplies from Canada amounted to 1,745,781 cwts. at £563,998 (1,178,484 cwts. at £678,683). The general downward trend in imports of Canadian wheat into this country is due to the subsidizing of exports of United States wheat, which also replaced that of other countries. Imports of wheaten flour increased to 68,522 cwts. valued at £28,253 (63,904 cwts. at £41,571); from Canada, 10,812 cwts. at £4,894 (6,838 cwts. at £4,868). Flour imports from Canada show an increase in quantity, but the value remains practically the same. Maize imports rose to 5,741,010 cwts. at £1,651,995 (4,727,364 cwts. at £1,561,275); from Canada, nil (96,964 cwts. at £30,915).

Fruit and Vegetables.—Fresh apple imports totalled 105,344 cwts. at £138,812 (83,417 cwts. at £108,967), Canada's share being 35,772 cwts. at £42,303

(1,136 cwts. at £1,492). The increase in supplies from Canada was largely due to the remission of the tariff of 1d. per pound on imports of Canadian and United Kingdom apples for the first three months of the period under review. Imports of pears also rose to 19,265 cwts. at £31,546 (17,915 cwts. at £28,109); from Canada, 392 cwts. at £520 (nil). Imports of dried peas totalled 25,265 cwts. at £24,905 (16,128 cwts. at £15,172), from Canada, 280 cwts. at £273 (nil). Imports of dried beans from Canada reached a total of 2,736 cwts. at £2,135 as compared with 316 cwts. at £216. Fruit pulp or juice from Canada totalled 3.125 cwts. at £3,956 (1,203 cwts. at £1,790). The latter two commodities are used extensively in Eire for canning, etc., by the local factories.

Miscellaneous Articles of Food.—Under this heading such items as tea, coffee, sugar, etc. are included. Imports of these totalled £1,745,928 (£1,527,198), Canada's share being £1,744 (£836).

Non-metalliferous Mine and Quarry Products and Manufactures Thereof.—Total imports in this group, mostly coal and cement, were valued at £3,195,528 (£3,088,061), Canada's share was £5,995 (£6,617).

Cutlery, Hardware and Instruments.—Total imports were £387,552 (£359,799), Canada supplying to the value of £14,119 (£11,341). Of Canada's total 11,962 (£9,420) was for photographic plates and films.

Machinery and Electrical Goods.—This group includes many items, imports totalling in value £2,002,560 (£2,064,116). Canada contributed to the value of £32,576 (£48,830), imports from the Dominion consisting mostly of agricultural reapers and binders at £14,774 (£611), counter machinery at £2,654 (£5,345), electrical machinery at £6,616 (£489), and typewriters and parts at £631 (£406).

Wood, Timber and Manufactures Thereof.—Total imports were valued at £802,399 (£930,289) and were made up chiefly as follows: sawn hardwood, £73,232 (£69,656), from Canada, £5,848 (£3,521); sawn softwood, £483,832 (£488,092), from Canada, £106,013 (£21,455).

Vehicles and Parts Thereof.—This heading includes a variety of commodities and imports totalled £1,468,500 (£1,361,402); from Canada, £1,599 (£594).

Apparel.—Total imports were £604,143 (£567,355); from Canada, £7,976 (£6,855). The latter consisted mostly of ladies' silk hosiery, 3,283 dozen pairs at £5,263 (3,172 dozen pairs at £5,092).

Textiles.—Total imports, £3,008,366 (£2,686,525); from Canada, £6,107 (£1,733). The increase in Canada's share over the previous year was due largely to imports of art silk in the piece for use by the local clothing factories.

Hides, Skins, Leather and Manufactures Thereof.—Total imports were valued at £467,892 (£419,385). Canada's share increased to £14,680 (£8,500), consisting chiefly of skins and furs (dressed) at £6,176 (£5,945) and leather (dressed) at £5,901 (£1,579).

Rubber and Rubber Manufactures.—Notwithstanding domestic manufacture of tires and other rubber goods, total imports under this head showed a slight increase at £192,611 (£169,594), Canada contributing £1,035 (£963).

Paper, Cardboard, etc.—Total imports under this heading were valued at £820,299 (£808,030). Canada supplied to the value of £64,705 (£88,712), consisting chiefly of newsprint at £55,568 (£117,141) and cardboard at £8,121 (£11,421).

Fertilizers.—Imports totalled £379,297 (£328,208), mostly sulphate of ammonia, £106,406 (£113,889), and rock phosphate unground, £115,803 (£82,771). Canada only shared to the small amount of £4 (nil).

Drugs and Chemicals.—Total imports were £830,175 (£745,752); from Canada, £8,606 (£3,228). Canada's share consisted chiefly of medicines and medicinal preparations valued at £6,110 (nil).

Miscellaneous.—Total imports under this heading were valued at £1,717,697 (£1,381,285). Canada's share was £14,917 (£13,511), clover seed and flax seed from Canada accounting for £3,152 (£1,824) and £2,588 (£2,519), respectively.

EXPORT TRADE

The figures of trade continue to demonstrate that, apart from Great Britain, there is no country which desires or requires the products which Ireland can export. Germany and other Continental countries have of late years been compelled to purchase some of Ireland's produce to maintain their exports to Ireland, but the war has killed that somewhat artificial reciprocal trade. In the eight months of 1939 for which figures are available the United Kingdom took over 90 per cent of Irish exports, and since the war began has taken nearly 100 per cent. The increased value of exports over the previous year was almost entirely in exports to Great Britain. A large part of the exports going to Northern Ireland ultimately finds its way to Great Britain, especially in the case of live animals.

The following table shows the main distribution of Ireland's exports for the eight months of 1939 and 1938:—

	1938	1939
Total.....	£14,558,674	£15,663,458
Great Britain	11,786,304	12,915,630
Northern Ireland	1,581,585	1,592,856
Other countries.....	1,190,785	1,154,972

EXPORTS BY CHIEF COMMODITY GROUPS

The trade returns show that Ireland is dependent to a preponderating degree on Irish agriculturists for her export trade. The total value of exports in the calendar year 1939 increased to £26,902,013 from £24,245,657 in 1938. Live animals accounted for over 50 per cent of the total and foodstuffs of animal origin for 20 per cent. Wool, raw materials and a few manufactured goods, chiefly long-established exports of stout, whisky, linen, poplin and biscuits, accounted for most of the remaining 30 per cent.

ANIMAL EXPORTS

The war and the United Kingdom-Eire Trade Agreement have had a beneficial effect on these exports, practically all of the groups (excepting fat cattle) showing increases. Values were low until the outbreak of war. Even then negotiations were long, being prolonged into 1940 before agreement was reached between the United Kingdom Ministry of Food (the sole buyer) and the Department of Agriculture of Ireland, which was being pressed by the farmers to increase prices to a level commensurate with the increasing cost of feed and living generally and with the obvious necessity of Great Britain. Exports of animals in 1939 (eight months), with figures for the corresponding period of 1938 within parentheses, were: fat cattle, 56,716 head valued at £941,327 (90,970 at £1,441,885); store cattle, 338,511 head at £4,362,453 (263,845 at £3,183,941); milch cows and springers, 47,279 at £809,085 (40,684 at £644,831); calves, 702 at £3,046 (1,837 at £8,535); sheep and lambs, 303,616 at £513,348 (192,307 at £317,290); pigs, 41,662 at £212,850 (20,355 at £88,821); horses, 7,725 at £1,031,129 (7,457 at £1,028,918); poultry, 389,300 at £56,372 (286,591 at £37,156).

FOODSTUFFS OF ANIMAL ORIGIN

Exports of some of the chief products under the heading of foodstuffs of animal origin, having special interest for Canada, were as follows in the first eight months of 1939 (figures within parentheses being for the same period of 1938): fresh mutton, 16,533 cwts. at £65,429 (13,956 cwts. at £51,733); bacon and ham, 293,567 cwts. at £1,305,243 (351,392 cwts. at £1,354,387); fresh pork, 25,618 cwts. at £96,785 (11,708 cwts. at £33,015); bladders, casings and sausage skins, 3,446 cwts. at £17,822 (4,341 cwts. at £17,515); poultry, dead, 31,247 cwts. at £111,526 (32,241 cwts. at £91,351); salmon and trout, 12,846 cwts. at £122,060 (9,605 cwts. at £96,092); lobsters, 2,475 cwts. at £14,256 (2,761 cwts. at £14,215); milk, condensed and dried, 93,202 cwts. at £135,459 (76,544 cwts. at £114,599); butter, 190,873 cwts. at £1,101,690 (260,107 cwts. at £1,491,036); cheese, 7,077 cwts. at £20,444 (10,239 cwts. at £31,502); duck eggs, fresh, 142,965 great hundreds at £59,266 (161,854 great hundreds at £61,745); hen eggs, fresh, 2,275,369 great hundreds at £1,023,954 (2,344,287 great hundreds at £958,972); hen eggs, cold stored or pickled, 582 great hundreds at £317 (nil); lard (including imitation), 23,030 cwts. at £40,776 (27,402 cwts. at £54,036).

OTHER PRINCIPAL EXPORTS

The exports of other important commodities in the first eight months of 1939, with corresponding figures for 1938 within parentheses, were as follows: malt, 98,390 cwts. valued at £83,041 (68,032 cwts. at £57,992); biscuits, 34,828 cwts. at £156,369 (32,142 cwts. at £153,113); potatoes, other than seed, 14,711 cwts. at £4,267 (309,693 cwts. at £61,235); porter, beer and ale, 505,235 std. bbls. at £1,403,848 (526,957 std. bbls. at £1,462,264); spirits (whisky, etc.), 165,180 proof gallons at £111,694 (108,208 proof gallons at £77,234); iron and steel, old and scrap, 421,503 cwts. at £56,553 (365,196 cwts. at £57,480); non-ferrous scrap and old metals, 33,597 cwts. at £38,089 (31,487 cwts. at £34,433); timber, hewn or round, 2,648 loads at £10,857 (3,729 loads at £16,508); timber, sawn, 556 loads at £4,056 (829 loads at £6,582); pitprops and pitwood, 3,264 loads at £7,402 (5,132 loads at £11,029); sleepers, 1,113 loads at £7,696 (1,863 loads at £12,243); flax, 8,981 cwts. at £34,618 (9,261 cwts. at £34,034); wool, 113,337 centals at £455,788 (65,710 centals at £261,154); cotton piece-goods, 1,489,560 sq. yds. at £35,940 (1,067,260 sq. yds. at £30,473); linen piece-goods, 955,400 sq. yds. at £44,103 (775,840 sq. yds. at £41,506); woollen and worsted tissues, 190,880 sq. yds. at £40,698 (132,980 sq. yds. at £29,143); cattle hides, 43,698 cwts. at £85,709 (49,113 cwts. at £91,488); sheep and lamb skins, 39,032 cwts. at £29,311 (34,051 cwts. at £32,127); feathers, 10,080 cwts. at £33,309 (8,288 cwts. at £33,732); potatoes for seed, 99,845 cwts. at £28,624 (98,388 cwts. at £24,782).

EXPORTS TO CANADA

The details of Irish shipments to Canada in the eight months of 1939 (with 1938 figures within parentheses) were: horses, 1 valued at £200 (8 valued at £1,150); biscuits, 130 cwts. at £839 (153 cwts. at £1,002); drink and tobacco, £313 (£741); wool, raw greasy, 30 centals at £87 (£1 centals at £170); wool, washed or scoured, 1,779 centals at 8,611 (347 centals at £1,828); skin wool, 250 centals at £1,042 (nil); woollen tissues, all wool, 12,490 sq. yds. at £2,718 (17,500 sq. yds. at £3,899); tissues of wool mixed with other materials, 44,460 sq. yds. at £10,331 (28,280 sq. yds. at £6,713); pipes for smoking, £912 (£786); other articles, £362 (£1,293); parcel post, £850 (£917).

SUMMARY OF THE TRADE OF CANADA: MONTH, THREE MONTHS, AND TWELVE MONTHS ENDING MARCH, 1940
(EXCLUDING GOLD)
(Compiled by External Trade Branch, Dominion Bureau of Statistics)

Main Groups	Month of March, 1940				Three Months ending March, 1940				Twelve Months ending March, 1940			
	Total Imports	From United Kingdom	From United States	\$	Total Imports	From United Kingdom	From United States	\$	Total Imports	From United Kingdom	From United States	\$
<i>Imports for Consumption</i>												
Agricultural and Vegetable Products.....	10,697,764	591,882	4,235,398		31,319,810	1,876,016	12,048,291		136,806,810	12,236,114	47,799,045	
Animals and Animal Products.....	3,577,109	434,887	2,090,311		13,687,352	1,085,201	9,097,723		39,463,522	4,409,248	22,002,309	
Fibres, Textiles and Textile Products.....	16,720,681	5,841,207	7,529,147		43,889,007	14,525,768	21,519,360		121,458,770	44,276,236	55,291,706	
Wood, Wood Products and Paper.....	3,170,229	214,553	2,855,379		9,225,611	593,550	8,247,616		35,015,180	2,940,065	30,120,713	
Iron and its Products.....	20,004,523	1,104,016	18,687,675		55,195,293	3,903,348	50,148,310		204,289,877	19,487,817	178,777,207	
Non-Ferrous Metals and their Products.....	4,370,018	433,342	3,287,693		12,543,965	1,424,914	9,211,979		46,720,901	5,245,161	32,745,161	
Non-Metallic Minerals and their Products.....	7,942,995	649,628	6,519,010		25,322,916	1,986,249	20,811,082		135,541,584	12,486,378	107,708,007	
Chemicals and Allied Products.....	3,902,915	593,262	2,959,232		11,124,688	1,947,753	8,052,535		47,475,021	8,024,708	33,959,814	
Miscellaneous Commodities.....	6,447,642	1,642,250	4,592,735		16,570,952	3,650,774	12,234,444		60,389,701	10,400,071	45,115,707	
Total Imports, 1940.....	76,733,896	11,525,027	52,766,580		218,879,594	30,993,573	151,371,270		827,431,366	119,505,798	554,119,669	
1939.....	58,380,844	11,139,950	38,359,923		142,503,762	25,495,184	94,150,087		658,228,034	115,636,017	412,476,817	
1938.....	65,055,628	11,495,642	42,888,102		161,727,082	29,151,597	106,403,887		799,069,918	145,008,771	487,279,507	
<i>Exports (Canadian Produce)</i>												
Total Exports	\$	To United Kingdom	To United States	Total Exports	\$	To United Kingdom	To United States	Total Exports	\$	To United Kingdom	To United States	
18,744,654	13,891,402	1,833,247	54,307,350	39,193,537	6,002,760	239,938,630	113,150,356	81,345,194				
13,328,677	9,627,204	2,794,842	39,078,541	26,052,194	10,357,591	137,900,447	81,551,502	43,229,412				
1,428,321	369,392	68,147	4,533,136	1,208,938	363,012	15,842,572	3,732,342	2,389,445				
20,543,671	4,342,194	12,620,951	61,397,671	10,974,306	38,928,089	254,516,609	47,411,013	170,144,917				
6,122,624	2,211,152	310,951	17,157,656	5,377,219	917,891	63,127,863	17,090,132	4,917,179				
15,118,851	7,883,914	4,494,582	46,534,860	21,614,866	13,200,032	184,801,406	84,482,743	51,939,617				
2,242,978	1,284,177	1,284,424	7,348,261	7,348,261	4,170,402	32,164,155	4,318,447	17,487,151				
3,140,069	719,552	1,482,988	8,065,050	8,065,050	3,416,029	25,981,820	6,209,357	10,152,808				
2,049,650	929,434	691,359	4,875,949	4,875,949	1,843,867	17,627,227	5,404,284	8,340,208				
Totals, 1940.....	82,719,395	40,412,921	25,581,491	243,898,474	109,656,206	971,900,729	363,350,176	389,945,931				
1939.....	69,269,525	26,076,005	24,707,401	196,923,849	74,405,272	831,260,185	325,413,404	280,664,798				
1938.....	73,329,001	27,765,518	22,696,985	203,247,581	88,680,553	976,563,259	406,878,660	332,209,211				
<i>Exports (Foreign Produce)</i>												
Totals, 1940.....	745,745	19,311	678,944	2,734,574	74,415	11,518,471	662,645	10,019,479				
813,333	52,274	703,103	2,211,712	198,963	1,840,872	10,381,136	1,523,224	7,877,797				
892,632	126,526	684,438	2,930,792	411,429	2,259,812	14,579,596	1,371,641	11,941,557				
<i>Excess of Imports (i) or all Exports (e)</i>												
Totals, 1940.....	(e) 6,731,244	(e) 28,907,205	(i) 26,506,145	(e) 27,753,454	(e) 78,737,048	(e) 155,987,834	(i) 244,507,023	(i) 154,154,259				
1939.....	(e) 11,702,014	(e) 14,988,329	(i) 12,449,419	(e) 56,631,799	(e) 49,109,051	(e) 22,573,476	(e) 211,300,611	(i) 123,934,222				
1938.....	(e) 9,166,025	(e) 16,396,402	(i) 13,306,673	(e) 44,431,291	(e) 44,011,895	(e) 192,072,637	(e) 263,241,530	(i) 143,128,739				

DAIRYING INDUSTRY IN AUSTRALIA

L. M. COSGRAVE, CANADIAN TRADE COMMISSIONER

(£A.1 equals approximately \$3.55 Canadian)

Sydney, March 23, 1940.—The Australian dairying industry, in common with other primary industries of the Commonwealth dependent upon overseas markets, has been radically affected by the changes in marketing conditions which followed the declaration of war. All butter and cheese produced in the Commonwealth—in excess of quantities required for internal consumption—has been sold on an f.o.b. contract basis to the United Kingdom, to be exported up to June 30, 1940. Prices obtained for choice-grade butter is the peacetime equivalent or 137s. 1d. per cwt., and for the choicest grades of cheese 76s. 5½d. per cwt., Australian currency.

The f.o.b. basis arrangement is of particular importance, as the United Kingdom Government takes all responsibility for the provision of the necessary tonnage and delivery into United Kingdom stores. The quantity of butter named in the contract is 75,500 tons (on the basis of 100,000 tons per annum) valued at approximately £A.10,281,000. It is officially estimated that some 16,500 tons of cheese worth approximately £A.1,260,000 will be shipped. The estimated total value of the dairy products contract, therefore, is in excess of £A.11,500,000 for the period ended June 30, 1940.

EFFECT OF EXPORT CONTRACT

Of great importance from the Australian view-point is the effect of this export contract, which puts the whole Australian dairying industry on a stabilized price basis. (The Australian market has been stabilized under the equalization system for the past six years.) It is difficult, however, to estimate the over-all value of these two primary products. The Equalization Committee's average local butter price is 158s. 8d. per cwt.; the export price is considerably lower than this, and consequently the average return is materially affected by the proportions of the total output sold respectively for the local trade and for export. Cheese is similarly affected.

The Equalization Committee recently issued interim figures covering the calendar year 1939, which indicated that, after the necessary adjustments have been made, the United Kingdom war contract should return factories about 7s. 7d. per cwt. more for their butter than the average export price obtained in 1938. It is difficult, however, to gauge the extent to which this increase will be reflected in factory payments to suppliers until the completion of the first six-months operations under the contract. One of the largest co-operative dairy societies in the Commonwealth has so far made monthly payments of up to 12½d. per pound for butter, plus free cream cartage, since the beginning of operations under the contract with the United Kingdom, in addition to which there should be a deferred payment when accounts for the six-months period are completed.

PRODUCTION AND EXPORTS IN 1938

On the other hand there has been criticism among some dairy farmers of New South Wales regarding the price position. They maintain that costs of production are steadily increasing, due to prolonged drought conditions, while no arrangements have been made for a variation of the fixed price to meet production adjustments of this nature. In the early months of 1939, hot, dry climatic conditions prevailed in the eastern states of the Commonwealth and Tasmania, similar to conditions during the first quarter of 1938, but official

figures indicate that production had fully recovered by the middle of 1939, and thereafter exceeded materially production for the corresponding months of the previous year. At the close of 1939 the total output for the State of New South Wales was 53,784 tons, exceeding the 1938 figure by some 5,865 tons. The Equalization Committee's figures (which cover the three Eastern States and Tasmania) show a similar recovery in this entire area, and the total amount of butter dealt with by the Committee during 1939 amounted to 193,000 tons as compared with about 177,800 tons during 1938.

The Equalization Committee's returns for 1939 show total 1939 exports at approximately 112,000 tons as compared with 94,069 during 1938. Values, for purposes of comparison, were approximately £A.13,930,000 for 1939 as against £A.12,253,000 for 1938, despite the fact that overseas prices decreased from an average of approximately 130s. 3d. per cwt. in 1938 to approximately 125s. per cwt. in 1939. Final figures showing the over-all return to producers from factories are not yet available, but competent authorities are of the opinion that, while net factory payments may be slightly lower per pound than during the previous year, there will be an improvement as a result of the increased production.

It is apparent that the Australian dairying industry is in a sound position, and will prove a definite asset to the Empire's economic war effort.

SALES OF AUSTRALIAN APPLES, 1940 SEASON

FREDERICK PALMER, CANADIAN TRADE COMMISSIONER

Melbourne, March 27, 1940.—Following a conference between the Australian Apple and Pear Board and State Government representatives, it was decided in October, 1939, that the Federal Government would acquire the next season's crop of apples and pears and establish a pool for its disposal.

Owing to the reduction in shipping space available for the export of primary products to the United Kingdom consequent upon the outbreak of war, the Apple and Pear Board was faced with the prospect of having to dispose of a large proportion of the coming season's crop of apples and pears in the domestic market.

Figures released recently indicate an estimated crop of 13,300,000 bushels as compared with an average annual production of 10,400,000 bushels.

It was reported that Western Australia had sold 140,000 bushels, which would be carried by neutral tonnage to neutral countries. The net return to the pool for Western Australian and South Australian fruit was estimated at from 5s. to 7s. a bushel case (90 cents and \$1.26 Canadian, respectively) according to varieties. For Tasmanian fruit an average net retail price of 2s. 6d. a case (45 cents Canadian) might be anticipated, as Tasmanian varieties offered for oversea sale were grown for export and are not popular on the Australian market. If that fruit were retained for Australian marketing, it was expected to show a loss to the pool. A small quantity of apples might be exported from Victoria, bringing an estimated net return to the pool of at least 8s. (\$1.44 Canadian) a case.

EXPORT PROSPECTS

Exports of apples for the year ended June 30, 1939, amounted to 4,222,278 bushels, of which 3,427,400 bushels were sold to the United Kingdom. It is expected that, subject to the British Ministry of Food's demands for priority for cargoes of other products, it may be possible for Australia to export 1,500,000 cases of fruit to the United Kingdom during the acquisition period.

Next to the United Kingdom, Germany was the largest importer of Australian apples during 1938-39 with purchases of 304,834 bushels; Sweden was next in importance with 132,080 bushels.

Normal domestic consumption is approximately 6,000,000 bushels and, allowing for the export of 1,500,000 bushels, the Australian Apple and Pear Board is faced with the prospect of marketing 11,800,000 bushels in domestic and curtailed neutral markets.

CONDITIONS IN NYASALAND AND NORTHERN RHODESIA IN 1939

J. H. ENGLISH, CANADIAN TRADE COMMISSIONER

Nyasaland

Johannesburg, February 29, 1940.—Official figures now released show that a decline took place in the value of the import and export trade of Nyasaland during 1939 as compared with the preceding year. Domestic exports fell in value from £959,809 in 1938 to £805,598, or approximately 15 per cent, and imports from £793,980 to £715,391 or approximately 10 per cent. The figures of exports and imports for the past three years, and the balance of trade in each year, are as follows:—

	1939	1938	1937
Exports (domestic)	£805,598	£959,809	£901,925
Imports	715,391	793,980	717,113
Excess of exports	£ 90,207	£165,829	£184,812

EXPORTS

While exports declined in value during 1939 by approximately 15 per cent, the decline in volume amounted only to 6 per cent. Exports of unmanufactured tobacco declined in quantity from 13,463,463 pounds in 1938 to 12,487,177 pounds or by 6·7 per cent; those of tea rose from 10,218,821 pounds to 11,385,049 pounds or 11·4 per cent; and exports of cotton lint declined from 6,853,894 pounds to 2,554,559 pounds or by 62·7 per cent. Shipments of sisal fibre on the other hand rose steeply from 293,953 pounds in 1938 to 1,216,610 pounds in 1939, an increase of 313 per cent. There were also increases in exports of groundnuts from 621,948 pounds to 1,010,454 pounds, and of soya beans from 476,956 pounds to 1,759,282 pounds.

IMPORTS

The following table shows the value of the principal commodities of interest to Canada imported into Nyasaland during the years 1938 and 1939:—

	1939	1938
Grain and flour	£ 2,775	£ 3,454
Butter, cheese, fat, etc.	1,218	1,339
Milk, condensed	463	313
Provisions, preserved, tinned or bottled fruit, meat, fish, etc.	18,702	17,194
Spirits	11,475	11,090
Tobacco of all kinds	1,935	1,862
Wood and timber	3,527	6,625
Iron, steel, other metal and manufactures thereof	34,795	53,627
Agricultural machinery and implements	7,255	11,910
Machinery	29,148	45,346
Wood and timber, manufactures of	23,976	28,145
Cotton manufactures	187,002	227,098
Woollen manufactures	1,788	1,359
Silk manufactures	1,140	2,545
Apparel, haberdashery and millinery	37,325	39,928
Petrol	35,427	34,599

	1939	1938
Soap	5,010	6,049
Leather and manufactures thereof	3,415	4,994
Paper, stationery, ink, etc.	10,754	11,776
Vehicles and parts thereof	98,940	95,652
Railway and tramway rolling stock and materials	11,632	8,695
Arms and ammunition	1,925	1,580

Government imports were valued at £59,199 as compared with £39,344 in 1938, making the grand total of imports £774,290 as against £833,824 in 1938.

AGRICULTURE

Nyasaland is predominantly an agricultural country, tobacco, tea, cotton, groundnuts and maize being among the most important products. Crop conditions and results during the past season were reported to be satisfactory in most districts. With prospects of increased acreages during the coming season, especially in groundnuts and rice, and with growing conditions reported to be generally favourable, good crops are anticipated.

Trading conditions generally are reported to be satisfactory with an improvement in the European trade towards normal after the disturbing effects of the outbreak of war. While the outlook for the coming year thus appears to be encouraging, much will depend upon the course of hostilities in Europe and the ability of Nyasaland to dispose of her agricultural products at remunerative prices. This seems to be reasonably assured at the moment.

Like all the neighbouring colonies, Nyasaland will have substantially increased government expenditure on defence during 1940.

Northern Rhodesia

General economic conditions in Northern Rhodesia during 1939 were favourable and the country as a whole enjoyed considerable prosperity. Mining, which is the colony's chief mainstay, was particularly active and the value of minerals produced increased during the year from £10,746,362 in 1938 to £11,511,376. Results from agriculture were also satisfactory, although there was a slight decline in the yield of maize and tobacco, which are important crops.

Northern Rhodesia ended the calendar year with a relatively large budget surplus. Total revenue for the year amounted to £1,900,786 and expenditure was estimated at £1,598,530, leaving an expected surplus on the year's operations of £302,256. However, in anticipation of increased expenditure in the future for war purposes, an increase in taxation is planned for the year 1940.

AGRICULTURE

The following table shows the acreages and yields of the principal crops in 1937-38 and 1938-39:—

	1937-38		1938-39	
	Acre	Yield	Acre	Yield
Maize	42,105	206,024 bags	38,805	204,420 bags
Wheat	1,822	5,021 bags	2,914	13,420 bags
Tobacco	4,046	2,066,000 pounds	4,324	1,983,000 pounds

MINING

Northern Rhodesia is rich in a variety of minerals, and mining, especially copper, is of prime importance to the colony. The values of production of the chief and other minerals in 1939, with comparative values for 1938 within parentheses, were: Copper, blister, £7,977,565 (£7,445,093); copper, electrolytic, £1,466,806 (£1,440,536); cobalt, £1,482,149 (£1,369,076); gold, £35,147 (£7,999); manganese, £4,455 (£3,650); silver, £5,259 (£7,233); vanadium, £333,709 (£260,816); zinc, £181,086 (£141,701); lead, £2,660 (£4,308); others, £22,540 (£3,199).

ROYAL NETHERLANDS INDUSTRIES FAIR

W. G. STARK, ASSISTANT COMMERCIAL ATTACHÉ

Rotterdam, March 15, 1940.—The Royal Netherlands Industries Fair is the principal trade exhibition in Holland and is held bi-annually. The spring session this year ran from March 5 to 14 inclusive and despite unfavourable international conditions, participation on the part of the Netherlands industries was good. There was still a considerable number of foreign firms with displays and business appeared on the whole to be more or less normal.

Exhibits included all kinds of commodities—furniture, household articles, textile products, foodstuffs, manufactured goods, electrical and heavy machinery—and also technical displays. As usual at the spring fair considerable space was devoted to the building trade and road construction. There were official and collective displays from Germany, Belgium, France, the Union of South Africa and Switzerland. The influence of the war was reflected in various exhibits; prominent among these were food reserves, anti-air raid equipment, gas masks, shelters.

A new feature was publicity on the part of national tourist associations who were endeavouring to popularize "Holidays in Holland."

The number of participants fell off slightly to 1,994 as compared with 2,031 in the spring of 1939. Likewise the space rented declined from 17,500 square metres to 17,100 square metres. Of the exhibitors 1,628 were Netherlands and 366 foreign. The main foreign representation was as follows: Germany, 165; France and colonies, 70; Belgium, 38; United States, 35; Switzerland, 28; United Kingdom, 20. There were also a few representatives of Italian, Slovakian, Danish, Norwegian and Swedish companies. The lines of three Canadian firms were on display by their Netherlands agents.

The next session of the Royal Netherlands Industries Fair at Utrecht is scheduled for September 3 to 12. Plans are being put in hand to enlarge the premises and the construction of a new building is proposed in the near future.

ECONOMIC AND TRADE CONDITIONS IN MANCHURIA, 1939

M. T. STEWART, ASSISTANT TRADE COMMISSIONER

Tokyo, March 20, 1940.—The economic development of Manchuria throughout 1939 was characterized by efforts for the achievement of co-ordination with Japan and the continued execution of development plans, which include (1) the five-year industrial development plan, (2) the northern frontier development plan, and (3) the agricultural development plan. Efforts are being concentrated on the utilization of raw materials and natural assets found in Manchuria with a view to supplementing industrial development in Japan, the industrial development of Manchuria being directed towards that end.

The five-year industrial development plan was initiated in 1936. The plan is primarily concerned with the development of mining and the utilization of mineral resources, and, following two years of fairly satisfactory operations, great difficulties were encountered during 1939. As a result of changed economic and political conditions in Japan and Manchuria, the five-year plan was again revised in August. A new program was laid down for four divisions: (1) iron and steel, (2) coal, (3) liquid fuel, and (4) non-ferrous metals, and the completion of the plan on this new program was extended to 1943. Programs for other branches such as agriculture, land development, and navigation will be carried out as originally planned. The outbreak of the war in Europe at the beginning of September altered the international trading position of Manchuria

very considerably. It was expected that Germany would supply a large part of the heavy machinery and equipment required, but deliveries have been seriously interfered with. Combined with this difficulty, a local shortage of labour and coal adversely affected many branches of industry in Manchuria.

The northern frontier plan was initiated following the border incident between Manchuria and Soviet Russia in May, and a scheme was drawn up involving the expenditure of 1,000 million yen, of which 200 million yen was to be provided by the Government, 200 million yen by private enterprises and 600 million yen by the South Manchuria Railway. The plan provides for the improvement of communication, transportation and distribution facilities, development of agriculture, construction of towns, etc.

AGRICULTURE

With respect to the agricultural development plan, government control has been gradually strengthened, and on June 1 the Rice Control Law, which placed the production, distribution and prices of rice under government control, was enforced. On October 17 the Important Products Monopoly Law, controlling particularly soya beans production, distribution, etc., was instituted. The Cereal Control Law, promulgated on November 2, and the Flour Monopoly Regulations, issued on December 10, extend government control to almost all important agricultural products. The Flour Monopoly Regulations are of special interest; following is an extract from the statement issued by the Minister of Economy concerning the enforcement of the government monopoly of wheat flour.

In view of the importance of wheat flour as a diet of the people, the Government made it a Government monopoly on and after the 10th December, 1939. The object of the present monopoly exists exclusively in the control of supply of wheat flour with a view to attaining self-sufficiency of food and also in the encouragement of the production of wheat and use of substitute flours in concert with the adjustment of demand and supply of wheat flour and stabilization of prices thereof. The present system will, thus, contribute to the food policy of this country and the price control of the Government under existing circumstances.

The harvests in 1939 did not come up to expectations largely because of severe floods during the latter half of the year, and crop estimates of November 1, 1939, were as follows: soya beans, 4,054,000 tons; kaoliang, 4,568,000 tons; millet, 3,531,000 tons; corn, 2,468,000 tons; wheat, 939,000 tons; rice, 803,000 tons. The crops of soya beans, kaoliang and millet were smaller than in 1938, whereas corn, wheat and rice showed some increase. Following the outbreak of the European war, the program was revised to increase the production of foodstuffs, principally rice and wheat, instead of export commodities, particularly soya beans, since large quantities of beans had been contracted for by Germany and the only avenue of shipment remaining open was via Soviet Russia.

An increase in the agricultural population of Manchuria is urgently required, and the number of agricultural immigrants entering the territory from Japan in 1939 did not reach the expectations of the Government. Steps are being taken to bring in large numbers of coolies from North China to supply agricultural labour in Manchuria, and the opening up of new land is being carried out as a major national policy.

BUDGETARY AND FINANCIAL POSITION

It is reported that banking institutions in Manchuria experienced a profitable year, reflecting increased commercial transactions and industrial activities. The circulation of currency increased greatly, the reported total being 814 million yen at the end of December, an increase of more than 50 per cent over

the total at the end of the previous year. Deposits and bank loans also increased greatly, respective increases over the 1938 figures being about 50 and 100 per cent.

National finance expanded greatly in keeping with industrial increases. The budget for 1940 amounted to 2,501 million yen, an increase of 809 million yen over the figure for 1939. A large percentage of the increase was due to expenditures for special accounts, principally for northern frontier and land development, but most of the expenditure was met from ordinary revenue. A bond issue of 500 million yen is required for the coming year.

The increased currency circulation stimulated an upward movement in commodity prices and these have been mounting at an accelerating pace for several months. Furthermore, the necessity facing Japan and Manchuria of controlling and strengthening their financial position has been an important factor in the inflationary tendency. Japan has been the predominant supplier of Manchuria's requirements of all kinds of producer's and consumer's goods, and the imposition of restrictions by Japan last September on exports to Manchuria, Kwantung Province, and China has aggravated considerably the commodity scarcity. Since export prices of goods shipped to countries in the yen-bloc were not then controlled, the Government of Manchuria was eventually forced to petition the authorities in Japan to establish a form of control over prices and adjust the relations of supply and demand between the two countries.

Economic control and commodity mobilization in Manchuria are attended with many difficulties, and any apprehension among the people is quickly reflected in a wave of hoarding that results in even greater scarcity of goods than would otherwise occur. Now that the export trade in soya beans to Germany is cut off, Germany cannot supply Manchuria with its machinery requirements, and an element of uncertainty has been injected into the Manchurian economic system, resulting in an unavoidable shortage of commodities and in rising prices.

FOREIGN TRADE

The foreign trade of Manchuria during the first half of 1939 showed a great increase both in imports and exports. During the second half, however, the war in Europe severely affected trade, particularly with Germany. Total exports in 1939 were valued at 826 million yen as compared with 725 million yen in 1938, an increase of 12 per cent. The value of imports totalled 1,783 million yen as compared with 1,275 million yen in 1938, an increase of 40 per cent. The excess of imports over exports amounted to 957 million yen as against 549 million yen in the previous year. The development schemes and enterprises of a foundation character necessitated a large and general increase in the volume of imports of foundation or construction material, while a rise in the unit value of most items tended to raise the aggregate value of imports.

Following is a table showing the comparative positions with respect to imports and exports for the calendar years 1938 and 1939:—

Manchuria's Foreign Trade

	Exports		Imports		Balance	
	1939	1938	1939	1938	1939	1938
	Figures in Million Yen					
Japan	517	417	1,505	995	— 988	— 577
China	165	122	64	71	+ 101	+ 51
Other countries	144	187	214	211	— 70	— 24
All countries	826	725	1,783	1,275	— 957	— 549

An outstanding increase was recorded in the trade within the yen-bloc and, despite this 12 per cent increase, the total value of exports to countries other than China and Japan totalled 144 million yen, a decrease of 43 million yen from the previous year's figure. With respect to imports, the total from these outside countries reached a value of 214 million yen, an increase of 4

million yen. The 40 per cent increase in imports, therefore, is almost entirely accounted for by the increase in imports from Japan and China. Germany occupied a leading position so far as trade with third countries is concerned, and a barter agreement was effected with Manchuria for the exchange of more than 100 million yen worth of commodities. Germany was the most important market for soya beans, and the virtual cessation of this trade owing to the hostilities in Europe greatly reduces the purchasing power of Manchuria. Imports from third countries have decreased to a very small volume, and Manchuria is placed in a position of marked dependence upon Japan for her requirements of producer's as well as consumer's goods.

The great increase in export trade from Japan to Manchuria is placing a further strain on the foreign exchange reserve of Japan, as trade within the yen-bloc does not add directly to the currency reserves, and the necessity of limiting exports to Manchuria is, therefore, engaging the attention of the Japanese Government.

FIRST OFFICIAL ESTIMATE OF THE ARGENTINE CORN CROP

Mr. J. A. Strong, Canadian Trade Commissioner at Buenos Aires, writes that the first official estimate of the 1939-40 corn crop in Argentina was issued on April 12 and gives the production at 434,172,360 bushels, an increase of 243,676,680 over the 1938-39 crop or 127 per cent. It is the biggest crop in the history of Argentina after that of 1934-35, which was reported at 453,115,600 bushels.

CONTROL OF EXPORTS FROM CANADA

By Order in Council (P.C. 1473) it was ordered that until further notice licences for the export from Canada of cod livers and cod liver oil, crude or refined, shall be withheld unless approved by the Wartime Prices and Trade Board.

TARIFF CHANGES AND TRADE REGULATIONS

United Kingdom

IMPORT LICENSING REGULATIONS

Mr. Frederic Hudd, Chief Canadian Trade Commissioner in the United Kingdom, reports that three new Import Prohibition Orders have been made by the Board of Trade. All these Orders come into effect on April 15,* 1940, but goods affected which were despatched to the United Kingdom before that date will not require a licence.

NON-FERROUS METALS

The Import of Goods (Prohibition) (No. 14) Order, 1940, adds the following goods to those subject to the Import Licensing Regulations:—

Non-ferrous metals and alloys thereof (whether coated or plated or not) other than parts of machinery and electrical apparatus, in the form of angles, anodes, bars (including wirebars), billets, blocks, blooms, cakes, cathodes, circles, cubes, discs, dust, flakes, foil (whether backed with other material or not), grain, granules, ingots, lumps, pellets, pigs, pipes and tubes (including traps and bends), plates, powder, rods, rondels, sections, shapes, shavings, sheets, shot, slabs, sponge, sticks, strip and wire (uninsulated, whether stranded or not), the following:—

Copper and alloys thereof containing more than 50 per cent by weight of copper.

Lead and alloys thereof containing more than 50 per cent by weight of lead.

Zinc or spelter and alloys thereof containing more than 50 per cent by weight of zinc.

*Not May 15, 1940, as stated in *Commercial Intelligence Journal* No. 1890 (April 20, 1940), page 602.

The object of the Order is to supplement the existing arrangements for the regulation of supplies and the distribution of copper, lead and zinc in this country, and to effect economy in the use of foreign exchange and shipping space. The grant of licences will depend on the circumstances of each case and the conditions ruling at the time.

It is pointed out that metallic powders are already subject to the Import Licensing Regulations.

Applications for licences must be submitted in the first place to the Non-Ferrous Metals Controller of the Ministry of Supply.

SULPHUR AND PYRITES

The Import of Goods (Prohibition) (No. 15) Order, 1940, adds the following goods to the list of those subject to the licensing restrictions:—

Sulphur ore; elemental sulphur in any form whether crude or manufactured; spent oxide; and mixtures containing more than 80 per cent by weight of elemental sulphur.

Pyrites of all kinds.

Mineral phosphates of lime.

The Ministry of Supply has made arrangements for the purchase of the bulk of the United Kingdom requirements of these materials, and the object of the Order is to secure the advantageous and equitable distribution of the Ministry's imports.

It is pointed out that the importation of pyrites and sulphur fungicides is already subject to licence.

Until further notice the Import Licensing Department is not prepared to consider applications for licences to import sulphur fungicides and mineral phosphates of lime.

PROPRIETARY MEDICINES

The Import of Goods (Prohibition) (No. 13) Order, 1940, brings the following classes of goods within the scope of the Import Licensing Regulations:—

Compounded medicinal preparations suitable for use in the internal or external treatment or prevention of human or animal ailments.

Antigens, antitoxins, sera, toxins and vaccines.

Medicinal substances of animal origin ready for use.

Surgical catgut.

MAGNESIUM CARBONATES AND CHROME ORES

The Board of Trade has issued the Import of Goods (Prohibition) (No. 16) Order, 1940, adding the following goods to those subject to the Import Licensing Regulations:—

Natural or artificial magnesium carbonates, hydroxides and oxides, and dolomite and mixtures wholly or mainly thereof, with or without water.

Chromium ores and concentrates, whether briquetted or not.

The Order will come into operation on April 17, 1940, but goods covered by the Order, and not previously subject to the import licensing regulations, which are proved to the satisfaction of the customs authorities to have been despatched to the United Kingdom before the Order came into force will not require a licence.

The object of the Order is to supplement the Control Order recently made by the Minister of Supply for the purpose of regulating the sale and purchase of these materials.

Applications for import licences must be submitted direct to the Chrome Ore, Magnesite and Wolfram Controller, Broadway Court, Broadway, London, S.W.1.

Australia

TARIFF DECISIONS

Recent Australian customs decisions, as to the tariff classification and rates of duty on articles regarding which question had been raised, include the following:—

Conveyors (not including belting) of the type ordinarily used in the mining or metallurgical industries as ore conveyors, but which may be capable also of use in other industries for conveying coal, sand, and the like; metal clips for loose leaf binders; 30 per cent ad valorem under British preferential tariff, 33½ per cent under general tariff (item 170B2).

Loose leaf ledger binders, being covers or binders into which pages of ledgers are fitted; pillar push buttons, being fittings used in the manufacture of pocketbooks, catalogues, books of samples, and the like; metal clips for loose leaf binders; 30 per cent ad valorem under British preferential tariff, 57½ per cent under general tariff (item 340A1).

Book covers of pliofilm (used for fitting over the permanent covers of books), 20 per cent ad valorem under British preferential tariff, 46¼ per cent under general tariff (item 340A2).

Brake fluid, consisting of castor oil and ethylene glycol monoethyl ether, 20 per cent ad valorem under British preferential tariff, 43¼ per cent under general tariff (item 9).

Provision is made under all the items of the tariff above-mentioned for increasing the rates of duty as the present Australian exchange depreciation may be lessened.

Canadian goods under the above items, having the required content of Canadian and/or Australian material and labour, and shipped in accordance with Australian regulations, are entitled to British preferential tariff rates. Goods from all countries outside the British Empire are subject to general tariff rates.

Ireland

IMPORT QUOTAS ON WOVEN TISSUES OF WOOL AND WORSTED

Mr. James Cormack, Canadian Trade Commissioner in Dublin, advises that, by an order of the Government of Eire dated March 28, 1940, a further import quota and quota period have been announced for importation into Eire of woven tissues of wool and worsted exceeding 3s. 6d. per square yard in value. The total quota fixed is 820,000 square yards for the period May 1, 1940, to October 31, 1940. Of the new quota 810,000 square yards must be manufactured in the United Kingdom or Canada. The amount of the previous three months quota was 410,000 square yards, 405,000 square yards being allocated to the United Kingdom or Canada.

WAR RISK INSURANCE INCLUDED IN DUTIABLE VALUE

A Notice issued by the Revenue Commissioners of Eire states that in the case of goods liable to ad valorem duty, war risk insurance is properly to be included in the value for the purpose of assessment of duty. Accordingly, importers, agents and other persons concerned are informed that where such insurance has been effected, whether by the consignor or consignee, the amount must be included in the value declared on the customs entry. If no war risk insurance is taken out, or if it is included in the invoice value, but not shown separately, the fact must be specifically declared on the entry. If war risk insurance has been effected in addition to ordinary insurance, the amount of war risk insurance should ordinarily be shown separately from the other, but if insurance has been effected in a bulk sum to cover war and ordinary risk, a declaration should be made to this effect. Documentary evidence in support of the declarations must be produced if required.

Northern Rhodesia

MARKING OF SKIMMED OR EVAPORATED MILK

Mr. J. H. English, Canadian Trade Commissioner at Johannesburg, writes that an Ordinance issued by the Government of Northern Rhodesia on February 23, 1940, prohibits importation into that country of separated or skimmed milk, whether fresh, tinned or powdered, unless the receptacle containing such milk bears a label with the words "Separated Milk" or "Skimmed Milk," as the case may be, printed thereon in letters not less than three-eighths of an inch high.

British Solomon Islands

REVISED CUSTOMS TARIFF

Particulars have been received of the revised customs tariff that went into effect in the British Solomon Islands on January 1, 1940. There are increases in rates of duty applicable under a large proportion of the tariff items. In many cases the increase in the general tariff rate (applicable to all non-British countries) is greater than that in the British preferential rate, which applies to imports from Canada, consequently the margins of preference are generally greater than heretofore.

The following commodities of kinds that Canada has for export continue to be free of import duty under the British preferential tariff, but the general tariff is increased from 12½ per cent to 17½ per cent ad valorem; bags and sacks for exporting produce; biscuits, hard and plain; casks; cement; church materials, requisites, and furniture; earthenware drainpipes; non-spirituous drugs and medicines; spraying compounds; flour, sharps, bran, pollard, and wheatmeal.

Motor cars, trucks and omnibuses, and parts and accessories therefor, except tires and tubes, formerly 12½ per cent ad valorem under British preferential tariff and 20 per cent under general tariff, are now 17½ per cent under British preferential tariff and 25 per cent under general tariff.

Cigarettes, formerly 15s. per 1,000 under British preferential tariff and 20s. under general tariff, are now 20s. and 26s. 8d., respectively.

Wireless broadcast receivers, their component parts and accessories, are specified as dutiable at 17½ per cent ad valorem under British preferential tariff and 35 per cent under general tariff. Formerly these were not separately named and were evidently dutiable as unspecified goods at 12½ per cent and 25 per cent ad valorem under the respective tariffs.

The tariff item "goods not otherwise enumerated" covers a wide variety of goods and provides rates of duty thereon at 17½ per cent ad valorem under British preferential tariff and 35 per cent under general tariff. Formerly these rates were 12½ per cent and 25 per cent, respectively.

By a proclamation of December 29, 1939, the importation into the British Solomon Islands of all goods from all foreign countries or from Canada, Hong-kong and Newfoundland, was prohibited except under licence. No information has yet been received as to the extent, or under what conditions, import licences are being issued.

United States

CANADIAN COAL, COKE AND BRIQUETS EXEMPT FROM REVENUE TAX

A United States Treasury Decision issued March 23, 1940, continues to December 31, 1940, exemption from the tax of 10 cents per 100 pounds provided for in Section 3423 of the Internal Revenue Code on coal, coke made from coal, and coal or coke briquets imported from Canada. This exemption also applies to these products when imported from Belgium, China, France, Mexico, Netherlands, and the United Kingdom. Section 3423 of the Internal Revenue Code is as follows:—

Coal of all sizes, grades, and classifications (except culm and duff), coke manufactured therefrom, and coal or coke briquets, 10 cents per 100 pounds. The tax on the

articles described in this paragraph shall apply only with respect to the importation of such articles, and shall not be imposed upon any such article if during the preceding calendar year the exports of the articles described in this paragraph from the United States to the country from which such article is imported have been greater in quantity than the imports into the United States from such country of the articles described in this paragraph.

This section is due to expire on June 30, 1941, unless extended by Congress.

Honduras

ADDITIONAL DUTY ON IMPORTED GOODS

The British Board of Trade Journal of April 4 reports that a decree of January 30, 1940, made by the National Congress of the Republic of Honduras imposes a new duty of one per cent on the value of every invoice covering the importation of foreign goods into Honduras.

EXCHANGE CONDITIONS IN EMPIRE AND FOREIGN COUNTRIES

Northern and Southern Rhodesia

J. H. ENGLISH, CANADIAN TRADE COMMISSIONER

Johannesburg, March 11, 1940.—Prior to the outbreak of hostilities in Europe in September, 1939, no foreign exchange control or other important measures restricting trade were in operation in either Northern or Southern Rhodesia. When war appeared inevitable, however, both Colonies assumed emergency powers enabling wide measures of control to be applied in the event of a crisis arising. In Northern Rhodesia the Emergency Powers (Colonial Defence) Order gave all necessary powers to the Governor; in Southern Rhodesia the existence of the Customs and Excise Management Act, 1937, provided authority to restrict import and export trade and the passage of the Emergency Powers (Defence) Act, 1939, gave powers amongst other matters to control foreign exchange, currency, etc.

On the outbreak of war both Colonies, now similarly equipped with emergency powers, immediately imposed regulations prohibiting the export from the Colonies of certain essential materials including metals, ores and foodstuffs except under permit.

Regulations were also issued in both Colonies prohibiting trading with the enemy and restricting imports from certain European countries unless accompanied by a certificate of origin and interest. Identical regulations are in force in Canada and most countries of the Commonwealth.

Complete foreign exchange control was also introduced in both Northern and Southern Rhodesia by which, except under permit, no person other than an authorized dealer was permitted to deal in foreign exchange, including currency, gold, securities, negotiable bills of exchange, etc. In this sense "foreign" referred to other than Northern or Southern Rhodesia as the case might be. Later, the Southern Rhodesian restrictions were modified to the extent of excluding the United Kingdom, South Africa, Northern Rhodesia, Nyasaland and the African Protectorates. Certain other minor exceptions were also made covering remittances of less than £50, etc.

In Northern Rhodesia there were applied similar foreign exchange control restrictions which prohibited trading in foreign currencies (that is, currencies

other than Northern Rhodesian) or the transfer of Northern Rhodesian currency, etc., outside the Colony except through the medium of authorized dealers. These regulations were subsequently modified to exclude all parts of the Empire with the exception of Canada, Newfoundland and Hongkong as well as Egypt.

Special restrictions were also applied to dealings in Canadian and United States dollars, Belgian belgas, Swiss francs, Holland guilders, Argentine pesos and Swedish and Norwegian kroner.

While strict foreign exchange control exists in these Colonies and the Governments concerned have powers to restrict or prohibit trade, in practice no special obstacles have so far been placed in the way of traders carrying on their legitimate transactions. Canadian exchange is freely available for the payment of imports from Canada and no case of special difficulty in obtaining permits has been reported from traders in either Colony.

Malta

A. B. MUDDIMAN, CANADIAN TRADE COMMISSIONER

Milan, April 11, 1940.—On the outbreak of the European war, regulations were enforced in Malta prohibiting the purchase and sale of foreign currencies except through dealers duly authorized by the Governor. The following banks were appointed authorized dealers: Barclays Bank (Dominion, Colonial and Overseas) for all currencies, the Banco di Roma for Italian lire, and the Credit Foncier d'Algerie et de Tunisie for French francs.

The regulations are based on those in force in the United Kingdom and are designed, inter alia, to conserve essential stocks of foreign currency, to prevent speculation and the leakage of free sterling into "black" markets, and to ensure that monetary resources are used for the country's legitimate trade.

Sterling may be freely circulated between Malta and countries within the sterling bloc. The sterling bloc comprises all British Dominions (except Canada), all British mandated territories and colonies (except Newfoundland and Hongkong), and Egypt, the Anglo-Egyptian Sudan and Iraq. All transactions outside of these countries are controlled in the same way as are foreign currency operations.

Briefly the purposes for which foreign currency or sterling to foreign countries may be released are as follows:—

1. The financing of essential imports, all of which must be made under licence issued by the Controller of Food and Commerce.
2. The settlement of contracts entered into before the outbreak of war.
3. Reasonable travelling and maintenance expenses incurred whilst on business.
4. Other demands not covered by these heads receive consideration and may be granted at the discretion of the Governor acting through the Treasurer to the Government of Malta.

The regulations are working smoothly and no undue hardships have been experienced by importers. Certain imports are prohibited, chiefly of non-essential commodities from the United States of America, but there is a constant exchange of traffic between Malta and Mediterranean ports and trade does not appear to have been seriously affected.

The currency in use in Malta is sterling.

Venezuela

H. W. BRIGHTON, CANADIAN TRADE COMMISSIONER

Panama City, April 19, 1940.—Returns from exports of the oil companies form the principal source of exchange in Venezuela; next are those from exports of agricultural products, principally coffee and cocoa.

The laws of Venezuela authorize the National Office for the Centralization of Exchange, which now comes exclusively under the Ministry of Finance, to control rigidly foreign exchange transactions and foreign trade. To date these powers have not been exercised fully, since the situation has not necessitated further action than the collection of all foreign exchange available, the deduction of the amount needed by the Government, and the allotment of the remainder to the various commercial banks on a pro rata basis according to their current total requirements.

The official selling rate still remains at 3.19 bolivares to the United States dollar; but recently the dollar situation has become rather acute. This is due to the falling-off of dollar sales by the oil companies. Their tanks at Curacao are filled and they are meeting difficulties in deliveries to Europe on account of the war. Further, the oil companies are not in the market for bolivares to meet local construction costs to the extent that they have been. Again Venezuela is experiencing difficulty in the marketing of coffee. The barter agreement with Germany, which took practically all of Venezuela's coffee, naturally terminated when the war began and, due to this agreement, there is no organization to effect sales elsewhere. Consequently, Venezuela has excessive surplus supplies of coffee on hand and a consequent shortage of foreign exchange.

The net result is that Venezuela is experiencing difficulties at present in foreign exchange and remittances abroad are not now possible immediately goods are received, as was the case up to a couple of months ago. They are being delayed about three weeks and this period is likely to be increased.

The Government is making a serious attempt to find a solution of the exchange problem and at the end of March solicited the assistance of the various commercial banks in formulating a plan. The oil companies were also approached in the hopes of obtaining more dollars. To date there has been no announcement as to the result of these conferences or of any change in the regulations.

Colombia

H. W. BRIGHTON, CANADIAN TRADE COMMISSIONER

Panama City, April 19, 1940.—The exchange situation in Colombia has changed somewhat since the last report upon it was published in *Commercial Intelligence Journal* No. 1863 (October 14, 1939). The Exchange Control Board, in co-operation with the Banco de la Republica, however, continues to supervise and regulate strictly all foreign exchange transactions as well as import trade and the Colombian peso remains fairly firm at approximately 1.75 peso to the United States dollar.

In September, 1939, when the last report was prepared, there was no shortage of exchange in United States or Canadian dollars. In December, however, there were few coffee dollar bills available and the fresh capital imported by the oil companies and other enterprises was not sufficient to meet the demands of the market. Permits for remittances in payment of imports are granted in rotation in order of date and are issued weekly for amounts equivalent to receipts of foreign exchange by the Bank of the Republic during the previous week; but when the December shortage occurred it was announced that no further permits would be issued until the second week in January, and from then on difficulty has been experienced.

As the situation developed further, it was found necessary to divide the imports into two classes as regards preference in granting exchange permits. Accordingly in February a decree was published enumerating various articles which would receive priority treatment in the allocation of exchange, the object being to assist the secondary industries and provide exchange for primary necessities required by the country. Recently, additional items were added to the original list and the complete list as at present recognized is as follows:—

Motors, dynamos, transformers; all classes of electrical accessories, lamps, insulators, cables, wires and accumulators; chemical fertilizers; barbed wire, wire screen, structural iron, sanitary apparatus; boilers and all accessories for steam machinery; trucks and tractors; agricultural machinery; automobile tires and replacements; printing paper; paper for graphic arts; wrapping paper for factories, paper bags, cardboard; all classes of articles for dentistry, dentist chairs; all classes of drugs and pharmaceutical articles; moving picture films; X-ray films, photographic plates and accessories; sewing machines and parts; raw cotton for manufactures; copra and raw materials for the manufacture of lard; cotton, wool and silk yarns; rosin and caustic soda; marble; books; printing ink; fungicides, disinfectants, garrapaticides (tick medicines); moving picture apparatus and accessories; typewriters; spool thread; chemical and vegetal extracts and tinctures; paints and varnishes; prepared infant foods, dry milk, etc.; oils and lubricants; plane glass; doctor's instruments; tools and instruments for arts and trades; railroad materials; cigarette paper; importations for official corps, national, departmental and municipal; cacao; wheat; machinery for industry; pipes and accessories for waterworks; cash registers, adding machines, calculating machines; tin sheets for packing; solid rubber in sheets; cork, wood and insulating materials; glass in blocks for the manufacture of lenses and all accessories for optical cabinets and industry; stearine, wicks, lint, gums, and all prime materials for the manufacture of wooden and wax matches; prime material for the manufacture of shoes; prime material for the manufacture of hats; teaching material, and material for laboratories, precision and scientific instruments; rennet and elements for the dairy industry and its derivatives; hops, malts and prime materials for the beer industry; seeds, breeders and other elements for the agricultural industry.

Canadian exporters must always bear in mind that there will always be some delay in receiving payments from Colombia, due to imperfect internal communications between ports of entry and the capital city, Bogota, and the formalities required by the Exchange Control Board even in normal times. At present, however, remittances should go forward for articles on the preferred list within about two weeks from the date of application for foreign exchange. In the case of articles not on the preferred list, the delay at the time of writing is about 13 weeks and there is no immediate prospect of this period being shortened.

Many Canadian firms in submitting prices and terms with regard to Colombia have stipulated that irrevocable letter of credit would have to be established before they would be interested in catering to this market. Under date of April 11, the Exchange Control Board issued instructions to the banks that "irrevocable letters of credit" could only be opened for articles included in the preferred list, and all applications which had been made to the Board for articles not on the preferred list were returned to the banks.

Nicaragua

H. W. BRIGHTON, CANADIAN TRADE COMMISSIONER

Panama City, April 19, 1940.—The exchange situation in Nicaragua still remains difficult and the regulations as set forth in the report which appeared in *Commercial Intelligence Journal* No. 1868 (November 18, 1939), still remain in force. Importers are still required to obtain permission from the Exchange Control Commission of the National Bank of Nicaragua before placing their orders abroad.

It was reported that the Exchange Control Commission intended to classify imports into groups for the purpose of allotting exchange and to allow merchants to purchase exchange for luxury articles on the open market, but to date no definite word has been received concerning such changes in the regulations.

Panama

H. W. BRIGHTON, CANADIAN TRADE COMMISSIONER

Panama City, April 19, 1940.—There is no form of exchange control in force in Panama nor is it likely that any such regulations will be required. The extensive building program which has been authorized by the United States Government in connection with the Panama Canal will bring a wave of prosperity to the Republic of Panama during the next few years and the Republic also should benefit from an increase in tourist traffic. The unit of currency officially in Panama is the silver balboa, but United States currency circulates freely and quotations for this market should be in United States dollars.

Costa Rica

H. W. BRIGHTON, CANADIAN TRADE COMMISSIONER

Panama City, April 19, 1940.—There has been no change in the general situation as regards foreign exchange since September 30. Imports are continuing at a high level, and merchants are able to obtain exchange permits quickly from the Exchange Control Board.

As stated in the report which appeared in *Commercial Intelligence Journal* No. 1864 (October 21, 1939), foreign exchange may be bought and sold only through registered banks, although a small and relatively unimportant unofficial or "street" market exists. Costa Rican importers are required to register their orders for foreign merchandise at an Import's Registry Office operated by the Exchange Control Board. Upon receipt of shipping documents importers make application to the Board for the necessary funds for remittance abroad.

Peru

S. G. MACDONALD, ASSISTANT TRADE COMMISSIONER

Lima, April 15, 1940.—The exchange market of Peru continues to be free. While there was some fluctuation in the value of the Peruvian sol during the first quarter of 1940, generally of a downward tendency, there appears to be no difficulty in obtaining foreign exchange for all requirements. After fluctuating greatly in value in the final quarter of 1939, falling as low as 6.70 soles to the United States dollar on the street market, the sol showed a definite firmness at the end of the year. With better export shipments and better export prospects, the street market by the middle of January no longer existed as an important factor and the rate fell to 5 soles to the dollar. At the same time, due to the general world situation since the opening of the year and the comparatively small future sales of cotton, coupled with the fear in Peru that the British market for this commodity would be curtailed, the sol later fell again.

February and March were quiet months for business generally, and the outlook for usual sales of cotton this year has continued to be obscure. These factors, coupled with the fall in the value of the pound sterling during March, contributed to a recession to 5.75 soles to the dollar at the end of March. There were some temporary reactions, followed by a further depreciation to the present level of 5.78 soles, at which there appears to be a halt for the present. The market is extremely sensitive even to the small quantities of sterling and dollars which are offered. Consequently, so long as uncertainty exists with respect to exports, notably cotton, fluctuations can be anticipated.

This situation has led importers to buy only as required in the hope of better rates being available at a later date. Realization of this hope naturally

depends upon cotton sales. About 15 per cent only of this year's crop has been sold up to the present as compared with about 70 per cent in other years. Thus it is anticipated that a large amount of exchange may be available before the end of the first half of the year.

Business in Peru continues to be conducted mainly on a cash against document basis, although in some lines letters of credit are required. As distinct from this latter method, some well-established firms continue to purchase on short term credits as before the outbreak of war. The first-mentioned method is recommended to Canadian exporters generally. Quotations should be given in United States dollars, which are readily available to importers here.

Ecuador

S. G. MACDONALD, ASSISTANT TRADE COMMISSIONER

Lima, April 18, 1940.—For some time prior to the end of 1939 Ecuador controlled the demand and supply of foreign exchange by means of import control measures of various kinds. On December 23 last a decree was issued, effective January 1, 1940, abolishing such measures. Consequently, since the first of the year the market for foreign exchange has been free and limited only by domestic needs and the shipments abroad from which such exchange is made available. This law also provided for return by the Central Bank of the deposits of 15 per cent of the value of goods intended to be imported, which were previously required from importers.

The total of such deposits was believed in commercial circles to amount to upwards of 5,000,000 sucres and the immediate return to importers was considered as likely to create some financial disequilibrium. For this and other reasons, the return of the funds has been considerably delayed and this delay in turn has caused much adverse comment in importing circles. About the middle of March the Economic Advisory Council to the Government recommended the immediate return of the funds to the depositors. By legislation passed on March 16, the Central Bank was instructed to return the funds held immediately. That part of a decree of May 26, 1938, which provided for the retention of the foreign exchange obtained in the sale of Ecuadorian rice abroad, was rescinded at the same time. In consequence, foreign exchange is quite free in Ecuador and all funds held on behalf of importers or exporters are being returned to their owners.

In the early part of the quarter under review, the Ecuadorian sucre continued to be quoted by the Banco Central at 15 sucres to the United States dollar for import drafts, and rates between 15·10 and 15·12 sucres to the dollar were general among commercial banks from which exchange was freely obtainable. In the latter part of February there were delays up to nine days on the part of the Banco Central in the issuing of dollar exchange for import drafts at the pegged rate of 15 sucres, but no difficulty existed in obtaining dollars at the commercial banks at the rate of 15·12 sucres.

During the whole quarter the exchange market appeared to be quiet. With low seasonal imports in the early part of each year, and the expectation of considerable foreign exchange being available following the movement of the main crop of cacao at the end of the quarter and in the first part of the second quarter, the demand for, and supply of, exchange appears to be in balance. Reports from Ecuador latterly are somewhat disquieting as regards the returns from cacao, as prices abroad, particularly in the United States, are lower than anticipated, and the crop now appears to be somewhat below earlier expectations. In view of the uncertainty of the economic situation, Canadian exporters to Ecuador should continue to require at least cash against documents.

FOREIGN EXCHANGE QUOTATIONS: WEEK ENDING APRIL 29, 1940

The Foreign Exchange Division of the Bank of Canada has furnished the following statement of the nominal closing quotations for all the principal exchanges for the week ending Monday, April 29, 1940, and for the week ending Monday, April 22, 1940, with the official bank rate:—

Country	Unit	Present or Former Gold Parity	Nominal Quotations in Montreal Week ending April 22	Nominal Quotations in Montreal Week ending April 29	Official Bank Rate
Belgium	Belga	.1001	\$.1861	\$.1874	2
Bulgaria	Lev	.0072	.....	.....	6
Finland	Markka	.0252	.0196	.0196	4
France	Franc	.0392	.0222	.0221	2
Great Britain	Pound	4.8666			
	Buying		4.4300	4.4300	2
	Selling		4.4700	4.4700	—
Greece	Drachma	.0130	.0072	.0073	6
Holland	Guilder	.4020	.5892	.5894	3
Hungary	Pengo	.1749	.3227	.3227	4
	Unofficial		.1951	.1951	—
Italy	Lira	.0526	.0560	.0560	4½
Yugoslavia	Dinar	.0176	.0249	.0250	5
Portugal	Escudo	.0442	.....	.0375	4-4½
Roumania	Leu	.0060	.....	.....	3½
Spain	Peseta	.1930	.1013	.1013	4
Sweden	Krona	.2680	.....	.2623	3
Switzerland	Franc	.1930	.2489	.2489	1½
United States	Dollar	1.0000			
	Buying		1.1000	1.1000	1
	Selling		1.1100	1.1100	—
Mexico	Peso	.4985	.1849	.1849	3
Cuba	Peso	1.0000	.....	.....	—
Guadeloupe	Franc	.0392	.0222	.0221	—
Jamaica	Pound	4.8666	4.4800	4.4800	—
Martinique	Franc	.0392	.0222	.0221	—
Other British West Indies	Dollar	1.0138	.9313	.9313	—
Argentina	Peso (Paper)	.4245	.3304	.3304	3½
	Free		.2553	.2553	—
Brazil	Milreis (Paper)	.1196	.0673	.0673	—
	Free		.0558	.0558	—
British Guiana	Dollar	1.0138	.9313	.9313	—
Chile	Peso	.1217	.0574	.0574	3-4½
	Export		.0444	.0444	—
Colombia	Peso	.9733	.6325	.6326	4
Peru	Sol	.2800	.....	.....	6
Venezuela	Bolivar	.1930	.....	.....	—
Uruguay	Peso	1.0342			
	Controlled		.7307	.7307	—
	Uncontrolled		.4340	.4323	—
South Africa	Pound	4.8666	4.4600	4.4600	3½
Egypt	Pound (100 Piastres)	4.9431	4.5800	4.5800	—
China (Shanghai)	Dollar	.....	.0663	.0666	—
Hongkong	Dollar	.....	.2426	.2420	—
India	Ruppee	.3650	.3359	.3359	3
Japan	Yen	.4985	.2602	.2602	3.29
Java	Guilder	.4020	.....	.....	—
Thailand (Siam)	Baht (Tical)	.4424	.....	.....	—
Straits Settlements	Dollar	.5678	.5256	.5256	—
Australia	Pound	4.8666	3.5800	3.5800	3
New Zealand	Pound	4.8666	3.5900	3.5900	4

The Dominion Bureau of Statistics has supplied the following note:—

There was no change in official buying and selling rates set by the Canadian Foreign Exchange Control Board for sterling and United States funds during the week ended April 29. These remained at \$4.43-\$4.47 and \$1.10-\$1.11, respectively. During the same interval sterling free market rates at New York moved within relatively narrow limits, the closing rate at \$3.53 indicating a net loss of ½ cent. Following a ½-cent drop to 84½ cents on the 24th, Canadian funds subsequently stiffened to finish ½ cent higher at 85½ cents. At Montreal, French francs eased 1 point to 2·21 cents, while European neutral units were stronger. Florins moved up 2 points at 58·94 cents, while belgas closed up 13 points at 18·76 cents. After dropping 11 points to 25·42 cents between April 22 and 26, the Argentine peso (free rate) stiffened to 25·53 on the 29th for no net change.

TRADE OPPORTUNITIES ABROAD FOR CANADIAN PRODUCTS

The Trade Inquiries for Canadian products published below have been received since the publication of the last issue of the *Commercial Intelligence Journal*. Interested exporters may secure the names and addresses of the firms making these inquiries, together with further details regarding the commodities required, on application to the Director, Commercial Intelligence Branch, Department of Trade and Commerce, Ottawa, or—

Secretary, Board of Trade—

Saint John, N.B.
Halifax, N.S.
Quebec, P.Q.
Montreal, P.Q.
Toronto, Ont.
Chatham, Ont.

Guelph, Ont.
Kitchener, Ont.
Brantford, Ont.
Stratford, Ont.
Woodstock, Ont.
St. Mary's, Ont.

Portage la Prairie, Man.
St. Boniface, Man.
Winnipeg, Man.
Vancouver, B.C.
New Westminster, B.C.

Secretary, Chamber of Commerce—

Sherbrooke, P.Q.
Kingston, Ont.
Oshawa, Ont.
Belleville, Ont.

Peterborough, Ont.
London, Ont.
St. Catharines, Ont.
Hamilton, Ont.

Victoria, B.C.
Prince Rupert, B.C.

Windsor Chamber of Commerce, Windsor, Ont.

Commercial Intelligence Service, Department of Municipal Affairs, Trade and Commerce, Quebec.

Department of Industry, Brantford, Ont.

Industrial Commissioner, Stratford, Ont.

La Chambre de Commerce de Montréal, 25 St. James E., Montreal, P.Q.

Secretary, Canadian Manufacturers Association—

Toronto, Ont.
Montreal, P.Q.

Winnipeg, Man.
Edmonton, Alta.

Vancouver, B.C.
Victoria, B.C.

Director, Bureau of Industrial and Trade Extension, Department of Trade and Industry, Victoria, B.C.

Canadian exporters should, for follow-up purposes, transmit a copy of any reply sent in response to a Trade Inquiry to the Trade Commissioner in the territory from which the inquiry emanated.

Commodity	No.	Location of Inquirer	Purchase or Agency
Miscellaneous—			
Hosiery, Cotton and Lisle.....	334	Leicester, England.....	Agency.
Materials for Shirts (Printed and Woven Poplins Preferred)	335	Dublin, Ireland.....	Purchase.
Shoe Stiffeners or Counter Boards.....	336	Leicester, England.....	Purchase or Agency.
Insole Backing Fibre Board.....	337	Leicester, England.....	Purchase or Agency.
Leather Heeling Board.....	338	Leicester, England.....	Purchase or Agency.
Wood-pulp Heeling Board.....	339	Leicester, England.....	Purchase or Agency.
Insulating Board.....	340	Tel-Aviv, Palestine.....	Purchase.
Upper Shoe Leather.....	341	Baghdad, Iraq.....	Purchase or Agency.
Plywood.....	342	Nicosia, Cyprus.....	Purchase.
Plywood.....	343	Tel-Aviv, Palestine.....	Purchase.
Electric Power Transformers.....	344	Dublin, Ireland.....	Agency.
Wire Netting.....	345	Cairo, Egypt.....	Purchase.

COMMERCIAL INTELLIGENCE SERVICE

L. D. WILGRESS, *Director*

Argentina

J. A. STRONG, B. Mitre 430, Buenos Aires (1). (Territory includes Uruguay.) *Cable address, Canadian.*

Australia

Sydney: L. M. COSGRAVE. Address for letters—P.O. Box No. 3952V. Office—City Mutual Life Building, Hunter and Bligh Streets. (Territory includes the Australian Capital Territory, New South Wales, Queensland, Northern Territory and Dependencies.) *Cable address, Canadian.*

Melbourne: FREDERICK PALMER, 83 William Street, Melbourne, C.I. (Territory includes States of Victoria, South Australia, Western Australia, and Tasmania.) *Cable address, Canadian.*

Belgium and Luxemburg

YVES LAMONTAGNE, Commercial Attaché, Shell Building, 60 rue Ravenstein, Brussels. *Cable address, Canadian.*

Brazil

L. S. GLASS. Address for letters—Caixa Postal 2164, Rio de Janeiro. Office—Ed. Da. "A. Noite," Sala 802, Praca Maua. *Cable address, Canadian.*

British India

PAUL SYKES. Address for letters—P.O. Box 886, Bombay. Office—Gresham Assurance House, Mint Road, Bombay. (Territory includes Burma and Ceylon.) *Cable address, Canadian.*

British Malaya

J. L. MUTTER, Union Building, Singapore, Straits Settlements. (Territory includes the Straits Settlements, the Federated Malay States, the Unfederated Malay States, Thailand, British Borneo, and Netherlands India.) *Cable address, Canadian.*

British West Indies

Trinidad: M. B. PALMER. Address for letters—P.O. Box 125, Port of Spain. Office—Barclay's Bank Building. (Territory includes Barbados, Windward and Leeward Islands, and British Guiana.) *Cable address, Canadian.*

Jamaica: F. W. FRASER, P.O. Box 225, Kingston. Office—Canadian Bank of Commerce Chambers. (Territory includes the Bahamas and British Honduras.) *Cable address, Canadian.*

China

V. E. DUCLOS. Address for letters—P.O. Box 264, Shanghai. Office—Ewo Building, 27 The Bund, Shanghai. (Territory includes Central China and North China.) *Cable address, Canadian.*

Cuba

C. S. BISSETT. Address for letters—Apartado 1945, Havana. Office—Royal Bank of Canada Building, Calle Aguiar 367, Havana. (Territory includes Haiti, the Dominican Republic, and Puerto Rico.) *Cable address, Canadian.*

Egypt

HENRI TURCOT. Address for letters—P.O. Box 1770, Cairo. Office—22 Shari Kasr el Nil, Cairo. (Territory includes the Sudan, Palestine, Cyprus, Iraq, Syria, Iran, Greece, Turkey, Bulgaria, and Roumania.) *Cable address, Canadian.*

France

HERCULE BARRÉ, Commercial Attaché, 3 rue Scribe, Paris (9). (Territory includes French Colonies in North Africa.) *Cable address, Cancomac.*

Hongkong

P. V. McLANE. Address for letters—P.O. Box 80, Hongkong. Office—Hongkong and Shanghai Bank Building, Hongkong. (Territory includes South China, the Philippines, and Indo-China.) *Cable address, Canadian.*

Ireland

JAMES CORMACK, 66 Upper O'Connell Street, Dublin, Ireland (*cable address, Canadian*); and 36 Victoria Square, Belfast, Northern Ireland.

CANADIAN GOVERNMENT TRADE COMMISSIONERS—*Con.*

Italy

- A. B. MUDDIMAN, Via Manzoni Nr. 5, Milan (102). (Territory includes Spain, Portugal, Gibraltar, Malta, Albania, and Yugoslavia.) *Cable address, Canadian.*

Japan

- C. M. CROFT, Commercial Secretary. Address for letters—P.O. Box 18, Akasaka Post Office, Tokyo. Office—Canadian Legation, 16 Omotecho, 3-chome, Akasakaku, Tokyo. *Cable address, Canadian.*

Mexico

- R. T. YOUNG. Address for letters—Apartado Num. 126-Bis, Mexico City. Office—Edificio Banco de Londres y Mexico, Num. 30, Mexico City. (Territory includes Guatemala, Honduras, and Salvador.) *Cable address, Canadian.*

Netherlands

- J. A. LANGLEY, Commercial Attaché, Coolsingel 111b, Rotterdam. (Territory includes Switzerland.) *Cable address, Canadian.*

New Zealand

- W. F. BULL. Address for letters—P.O. Box 33, Auckland. Office—Yorkshire House, Shortland Street, Auckland. (Territory includes Fiji and Western Samoa.) *Cable address, Canadian.*

Panama

- H. W. BRIGHTON. Address for letters—P.O. Box 222, Panama City. Office—98 Central Avenue, Panama City. (Territory includes the Canal Zone, Venezuela, Colombia, Nicaragua, and Costa Rica.) *Cable address, Canadian.*

Peru

- M. J. VECHSLER. Address for letters—Casilla 1212, Lima. Office—Edificio Boza, Carabaya 831, Plaza San Martin, Lima. (Territory includes Bolivia, Ecuador, and Chile.) *Cable address, Canadian.*

South Africa

- Cape Town:* J. C. MACGILLIVRAY. Address for letters—P.O. Box 683. Office—New South African Mutual Buildings, 17 Parliament Street. (Territory includes Cape Province and Southwest Africa, Natal, Tanganyika, Kenya, Uganda, Mauritius, and Madagascar.) *Cable address, Cantracom.*
- Johannesburg:* J. H. ENGLISH. Address for letters—P.O. Box 715. Office—Prudential Assurance Building, 92 Fox Street. (Territory includes Transvaal, Orange Free State, the Rhodesias, Mozambique or Portuguese East Africa, and Nyasaland.) *Cable address, Cantracom.*

United Kingdom

- London:* FREDERIC HUDD, Chief Trade Commissioner in the United Kingdom, Canada House, Trafalgar Square, S.W.1. *Cable address, Sleighing, London.*
- London:* G. R. HEASMAN, Trade Commissioner, Canada House, Trafalgar Square, S.W.1. (Territory includes Home Counties, Southeastern Counties, and East Anglia; also British West Africa.) *Cable address, Sleighing, London.*
- London:* W. B. GORNALL, Fruit Trade Commissioner, Aldine House, Bedford Street, Strand, W.C.2. *Cable address, Canfrucum.* (Territory—for fresh fruit only—includes United Kingdom, Norway, Denmark, Sweden, France, Holland, and Belgium).
- London:* G. R. PATERSON, Animal Products Trade Commissioner, Canada House, Trafalgar Square, S.W. 1. *Cable address, Agrilson.*
- Liverpool:* A. E. BRYAN, Martins Bank Building, Water Street. (Territory includes North of England, Lincolnshire, North Midlands, and North Wales.) *Cable address, Canadian.*
- Bristol:* E. L. MCCOLL, Northcliffe House, Colston Avenue. (Territory includes West of England, South Wales, and South Midlands.) *Cable address, Canadian.*
- Glasgow:* G. B. JOHNSON, 200 St. Vincent Street. (Territory covers Scotland.) *Cable address, Cantracom.*

United States

- New York City:* D. S. COLE, British Empire Building, Rockefeller Center. (Territory includes Bermuda.) *Cable address, Cantracom.*
- Chicago:* W. J. RIDDIFORD, Tribune Tower, 435 North Michigan Avenue. *Cable address, Canadian.*
- Los Angeles:* B. C. BUTLER, Associated Realty Building, 510 West Sixth Street. *Cable address, Canadian.*

Note.—Bentley's Second Phrase Code is used by Canadian Trade Commissioners.

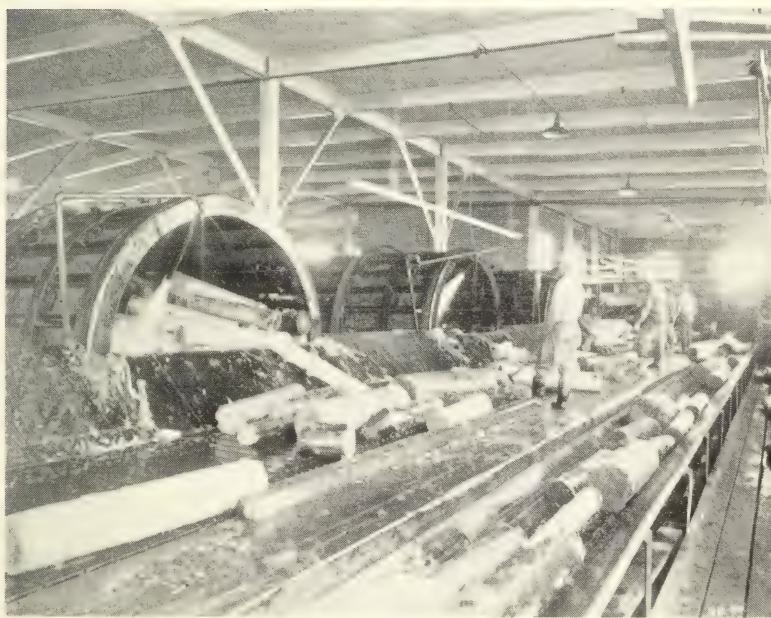
165

COMMERCIAL INTELLIGENCE JOURNAL

Vol. LXII

Ottawa, May 11, 1940

No. 1893



Preparing the Wood in a Canadian Pulp Mill

ISSUED BY AUTHORITY OF
THE HON. W. D. EULER, MINISTER OF TRADE AND COMMERCE
JAMES G. PARMELEE, DEPUTY MINISTER



CONTENTS

	Page
United States Newsprint Situation.....	703
Demand for Tissue Apple Wraps in the West of England....	705
United Kingdom Purchases of Canadian Softwood Timber....	705
Paper Control in the United Kingdom.....	706
Points for Exporters to Palestine.....	709
Business Conditions in India, 1939.....	714
Foreign Trade of France, January-July, 1939.....	717
Obligatory Stocks in Belgium.....	720
Conditions in China in 1939.....	720
Peruvian Flour and Wheat Market in 1939.....	729
Wheat and Flour Situation in Japan, 1939.....	730
Tariff Changes and Trade Regulations.....	734
Exchange Conditions in Foreign Countries—	
Brazil	738
Foreign Exchange Quotations	739
Trade Inquiries for Canadian Products.....	740
Commercial Intelligence Service	741

COMMERCIAL INTELLIGENCE JOURNAL

Issued Every Saturday by the Department of Trade and Commerce

PUBLISHED in English and French. Subscription Price for either edition: \$1 per annum in Canada (single copies 5 cents each); \$3.50 outside the Dominion (single copies 10 cents each). Remittances, which may be made by Post Office or Express Orders, or Drafts, or Cheques, payable at par in Ottawa, should be addressed to the King's Printer, Government Printing Bureau, Ottawa.

Vol. LXII

Ottawa, May 11, 1940

No. 1893

UNITED STATES NEWSPRINT SITUATION

D. S. COLE, CANADIAN TRADE COMMISSIONER

New York, May 1, 1940.—Production of newsprint paper in North America during the first quarter of 1940 was approximately 15 per cent or 138,000 tons greater than the output in the corresponding period of 1939, according to a report just released by the News Print Service Bureau of New York.

The increase was 11,000 tons or 16 per cent in Newfoundland, 23,000 tons or 10 per cent in the United States, and 104,000 tons or over 16 per cent in Canada. The first quarter production of newsprint was larger this year than in any preceding year except 1937. In the United States it was the largest in any first quarter since 1932. Of the 1,065,000 tons of newsprint manufactured in North America in the quarter, 80,000 tons were produced by Newfoundland, 251,000 tons by the United States, and 734,000 tons by Canada.

NEWSPRINT IMPORTS

Imports of newsprint into the United States for the first quarter of the current year totalled 556,000 tons, a total of 40,000 tons or 8 per cent over the corresponding period of 1939. Distribution of imports was 92 per cent from Canada, 5 per cent from Newfoundland, and 3 per cent from Europe. The increase from Canada, as compared with last year, was 86,000 tons and from Newfoundland 12,000 tons. Decreases from Europe amounted to 58,000 tons.

Despite war difficulties Finland managed to ship 10,000 tons of newsprint to the United States; Sweden, 8,000 tons; and Norway, 2,000 tons. With the war carried into Scandinavia on April 8, however, shipments of pulp and paper from that region will be slight, according to the forecast by the News Print Service Bureau.

SHIPMENTS FROM NARVIK

Prior to Norwegian participation in the war, extensive preparations were being made for the shipment of pulp and paper from Narvik. If and when the Allies obtain complete control of that region some shipments of pulp and paper may be expected into the United States from Finland and Sweden via Narvik, even though such movements will doubtless be slow and exceedingly costly. Reports of anticipated shipments through the port of Petsamo, Finland, are to some extent discounted, since such shipments would require a 300-mile motor-truck haul, in addition to rail transportation from producing mills.

STOCKS

The American Newspaper Publishers' Association report that stocks on hand by publishers as of March 31, 1940, totalled 285,000 tons as compared with 255,000 tons a year earlier. As the News Print Service Bureau reports an

increase of 11,000 tons in the hands of North American newsprint manufacturers, the total increase in the hands of both groups was 41,000 tons as of March 31, 1940. This increase, however, is very modest in view of the current heavier consumption of newsprint in the United States and other markets.

CONSUMPTION

The News Print Service Bureau forecasts that newsprint consumption will be somewhat higher in the United States this year than last, although the percentage gain in the last quarter of the year is not expected to be so great as that in the first quarter.

To a great extent any forecast with regard to the import situation in the United States must depend upon the course of the war in Scandinavia. Certainly the tonnage exported from Scandinavia cannot be very large so long as peace conditions are absent there. It may be assumed also that the amount of newsprint to come out of that region will not be normal while the war continues elsewhere. In fact, it may be a long time before these countries are again able to send 300,000 tons to the United States as they did in 1939.

This means that, so long as the war lasts, the rest of the world will have to look to North America, and principally to Canada, both for pulp and paper. Thus Canadian newsprint manufacturers are likely to continue with heavy tonnage manufacture for some time to come.

The United States, at current rate of production, will manufacture approximately 1,000,000 tons of newsprint in 1940. It is believed that consumption will be around 3,700,000 tons. Thus there will be a market in the United States for 2,700,000 tons of Canadian and Newfoundland newsprint paper, if none comes from Europe. It is true that 20,000 tons did get in from Europe during the first quarter of this year, but it is impossible to forecast for the other nine months of the year.

In addition to the tonnage imported into the United States from Canada and Newfoundland, all of the Western Hemisphere south of the United States must obtain its requirements from the same source of supply. The following table shows the heavy tonnage exported to Central and South America, including Mexico and the West Indies, from Scandinavia and Germany in 1938 and 1939, and which should prove added tonnage for the mills in Canada and Newfoundland:—

Exports of Newsprint Paper to Central and South America

(Includes Mexico and the West Indies)

	1938 Tons	1939 Tons
Finland	70,000	81,000
Sweden	49,000	58,000
Norway	57,000	58,000
Germany	36,000	37,000
Total from Europe	212,000	234,000
Canada	50,000	71,000
Grand total	262,000	305,000

While there is no indication that the course of newsprint paper prices and consumption will follow those of the first World War, nevertheless it is obvious that if present conditions continue Canadian mills will have substantially better operating ratios.

The above report is based on figures supplied by courtesy of the News Print Service Bureau of New York.

DEMAND FOR TISSUE APPLE WRAPS IN THE WEST OF ENGLAND

E. L. McCOLL, CANADIAN TRADE COMMISSIONER

Bristol, April 12, 1940.—Current conditions have resulted in a serious shortage of tissue apple wraps in the West of England, South Midlands and South Wales. There is some concern regarding the possibility that sufficient suppliers will not be available to meet the increasing demand created by the higher standard of fruit packing. The market opportunities presented should merit the attention of Canadian paper mills. The shortage in the Dominion of an export surplus of this commodity may be an inducement for some paper mill not already engaged in the manufacture of tissue wraps to undertake production. As this class of paper is used for many purposes, including the packing of other fruits, inquiries from the apple section of the trade for Canadian supplies to replace those formerly obtained from Scandinavia make up only a small part of the total market demand.

Import licences are required, but so far no difficulty in obtaining these has been encountered by merchants.

SPECIFICATIONS

In general, pure white tissue, both oiled and unoled, is in demand. The oiled tissue is impregnated with from 12 to 15 per cent of mineral oil to prevent "scald" when the wrapped apples are placed in cold storage. The paper is supplied in sizes of 8, 9, 10, 11 and 12 inches square. A parcel contains 5,000 sheets of one size, wrapped in plain paper. Several of these small packages are baled under hydraulic pressure. Purchases made at one time by an importer who has submitted an inquiry to this office are usually made in quantities of one ton (2,240 pounds) of each of the above-mentioned sizes.

The unoled paper is more widely used, but there is a growing demand for the oiled type, as it is more effective than the plain tissue in maintaining the stored fruit in a satisfactory condition. So far as local distributors are aware, no paper similar to that supplied by Canada and Scandinavia is produced in England for the apple trade.

Standard-size sheets of sulphite tissue in white, green, blue, and yellow colours, D.C. (Double Crown), 20 inches by 30 inches, weighing $7\frac{1}{2}$ to 8 pounds per ream, are also in demand for lining apple boxes, barrels, chip baskets, etc.

The printing of branded wraps supplied from Scandinavia has been done at the mills, the import duty thereby being increased from $16\frac{2}{3}$ to 20 per cent ad valorem.

Canadian mills, interested in supplying tissues of the quality required for apple wraps, shipments of which should reach Bristol by the end of July, are invited to send samples and prices to the Canadian Trade Commissioner, Northcliffe House, Colston Avenue, Bristol.

UNITED KINGDOM PURCHASES OF CANADIAN SOFTWOOD TIMBER

L. H. AUSMAN, ASSISTANT TRADE COMMISSIONER

Bristol, April 19, 1940.—In an editorial entitled "Reliance on Empire Wood," a writer in a recent issue of the *Timber Trades Journal*, after considering the difficulties in the way of importing supplies of softwoods from European countries, states that fortunately Great Britain is no longer dependent on foreign timber. The Empire trade, which has been developing for some years, is now on such a substantial scale as to compensate, at least for the time being, for the loss of other sources of supply. He draws attention to

the vast Canadian forest resources and to the fact that the Canadian logging and producing organization has shown itself capable of stepping into the breach in a time of emergency.

Immediately on the outbreak of war the Timber Controller turned to Canada for supplies. In the first months of the war, shipping was needed for a host of other commodities, and it was soon found impossible to lift all the Canadian wood at the contract delivery dates. With the help of rail carriage across Canada of part of the wood purchased by the Control and a better organization of shipping facilities, conditions have greatly improved, and the writer expresses the opinion that as the year progresses it will be found that all the Canadian timber which has been purchased will be delivered, together with any further quantities it may subsequently be found necessary to buy.

It is pointed out that the trade with British Columbia has greatly expanded during the past few years. In 1930 total exports from that province to the United Kingdom were about 270,000,000 feet; in 1938 they had reached 742,000,000, and last year about 965,000,000. It is probable that imports this year will be limited only by the needs of the Timber Control and the shipping and currency conditions. The building of new ships by Great Britain is progressing at an almost unprecedented rate and, as foreign tonnage is also being purchased, this country is expected to get all the softwoods which are essentially required.

Referring to the drive to increase British exports, the writer of the article suggests that the authorities may accord a certain amount of priority to shipments of softwoods which are required in connection with export industries.

PAPER CONTROL IN THE UNITED KINGDOM

G. R. HEASMAN, CANADIAN TRADE COMMISSIONER

[This report is the third received from London on Paper Control in the United Kingdom. The first was published in *Commercial Intelligence Journal* No. 1871 (December 9, 1939), and the second in No. 1884 (March 9, 1940).—Ed.]

London, April 15, 1940.—Since the publication of the second report on "Paper Control in the United Kingdom," dated February 14, 1940, dealing with Order No. 8, there have been issued Control of Paper Orders No. 9, No. 10 and No. 11.

Order No. 9 increases the maximum prices to be paid for home-produced raw material, such as waste paper and rags, effective March 30. The Order also consolidates all provisions relating to the acquisition and disposal of waste paper-making materials in previous Paper Control Orders. While efforts have been made to collect paper-making materials, dealers in these materials have expressed the opinion that the only means of ensuring a still greater collection was to increase the price. It is hoped, therefore, that Order No. 9 will have the desired effect. A new list of authorized dealers in waste paper-making material has been issued. The Treasury has also made the Papermaking Materials (Charges) (No. 1) Order, 1940, with effect from March 30. The Paper Control has increased the price at which it will sell pulp, and in order to avoid undue profit by those firms with stocks on hand a charge has been made on all such stocks, a return of which must be sent to the Paper Control.

REVISED MAXIMUM PRICES

Order No. 10 supplies a most comprehensive revised schedule of maximum paper prices for the sale of paper, both by the producer and non-producer,

and for imported boards. This schedule covers practically all grades or kinds of paper or board. Regulations are also provided covering the sale price of any paper not specially listed in the schedule. The effect of the Order is to continue to regulate closely the price of all paper and board sold in the United Kingdom, first referred to in *Commercial Intelligence Journal* No. 1871 (December 9, 1939). The present Order cancels the earlier one, and came into force on March 30.

It is not possible or necessary to reproduce here the complete schedule of new prices, a copy of which is available at the Department of Trade and Commerce, Ottawa. The following examples of the maximum sale prices by a manufacturer, per ton of 2,240 pounds, however, are given as of particular interest to Canada:—

Newsprint, whose fibre content comprises not less than 70 per cent of mechanical pulp:—

Reels, machine-finished.. . . .	£21 10s. 0d. per ton
Sheets, machine-finished.. . . .	£24 0s. 0d. per ton

Extras are provided for small reels, thin substances, guaranteed bulk, hard sizing, and colours.

Boards are divided into six divisions of many grades:—

Boxboards, double white-lined.. . . .	£40 0s. 0d. per ton
Body board for coating—	
(1) For general printing purposes.. . . .	£36 2s. 6d. per ton
(2) For boxboard and cartons, first quality.. . . .	£30 10s. 0d. per ton
Strawboard and chipboard—	
Unlined.. . . .	£15 7s. 6d. per ton
White- or cream-lined chipboard, first quality.. . . .	£30 10s. 0d. per ton
Container boards.. . . .	£21 15s. 0d. per ton
Kraft liner and fluting (made exclusively from sulphate pulp fibre or with not more than 10 per cent of other fibrous material, caliper .009" to .030").. . . .	£28 15s. 0d. per ton
Test ("jute") liner.. . . .	£22 5s. 0d. per ton

Kraft Paper, (i.e. paper made exclusively from sulphate pulp fibre, or with not more than 10 per cent of other fibrous material):—

Machine glazed, of a substance 20" x 30", 480's and up, for sheets and counter reels 8½" to 15" diameter, in quantities of 10 tons and up, one delivery.. . . .	£32 12s. 6d. per ton
Unglazed, same specifications.. . . .	£32 2s. 6d. per ton

Under the foregoing prices, provision is made for the addition of extras for thin substances, small quantities, colouring, etc., while the prices are subject to reductions for large reels.

These prices are meant to apply to paper and board produced in the United Kingdom by the seller. Maximum prices have also been laid down for new paper which has not been produced by the seller, and for imported paper and board. These prices provide for a varying percentage of profit on the basic mill price, plus appropriate extras, all of which is specified in great detail.

MAXIMUM PRICES FOR IMPORTED BOARDS

Of particular interest at this time to Canada is the maximum price laid down for imported boards. The price for kraft liner board in reels is £22 10s. per ton, and in sheets, £24 per ton; for container board, lined on both sides with unprinted kraft paper, £32 per ton, and lined on one side only with unprinted kraft paper, £30 10s. per ton; for folding boxboards, bleached face, caliper .014 and thicker, £34 per ton, and unbleached face, caliper .014 and thicker, £34 per ton, plus 12½ per cent in the case of sales ex stock, and 6¼ per cent in the case of sales other than ex seller's stock. The percentage increase, or in other words the jobbers profit, is calculated on the above price, plus duty, plus extras.

On kraft paper, however sold, the maximum price for sale, when not produced by the seller, is to be the mill price for one load, plus any appropriate extras charged by the mill, as provided, plus a percentage ranging from 40 per cent for loads of less than 2 hundredweights down to 5 per cent for loads of 5 tons and over. It is further provided that "for imported M.G. and M.F. kraft paper there may be charged, in addition to the price (*providing the price is not in excess of the maximum price permitted by this Order*), an importation charge at the rate of £4 per ton, or such less sum as equals the amount by which the total landed cost of the paper, including duty, exceeds the maximum price permitted by this Order for sale by a United Kingdom producer." This means that the extra and actual cost of importing kraft paper may be added to the price, under certain conditions, but only up to a limit of £4 per ton. For the purpose of calculating the percentage profit on imported kraft paper, the importation charge mentioned here shall not be taken into account as forming part of the price on which the percentage is to be calculated.

EXPORTS

The United Kingdom paper industry has recently formed the Exporters Group of the Paper and Board Industry of Great Britain and Ireland. The purpose is to consolidate all individual effort at export, and render such assistance to those in the industry interested in export as will have the effect of not only maintaining exports, but, where possible, increasing them. A special effort is to be made in regard to exporting those paper products when the value of the exported article is high as compared with the imported raw material. Mills are advised against appointing new agents or doing anything that would tend to encourage competition and lower prices. The Export Group will assist all those requiring connections in foreign countries, and all those engaged in export are urged to bring to the group their export problems, so that they may be overcome in the most practical way and with the least delay.

The spreading of the war to the Scandinavian countries makes it more difficult than ever for the United Kingdom mills to carry on, since they depend on these countries for such a large proportion of their raw material. It would seem necessary, therefore, for the United Kingdom to turn more and more to Canada for additional supplies, and such supplies will certainly be more readily available in the form of paper than in the form of pulp. The dollar exchange situation, however, is likely to prove a strong check on any large increase in imports from Canada.

RATIONING

The Control of Paper (No. 11) Order, 1940, which has just been issued, amends the Control of Paper (No. 8) Order, rationing the consumption of paper in the United Kingdom. The effect of this Order is to reduce consumption still further. It is the direct result of the spread of the war to Norway. The principal amendments introduced are as follows:—

(a) The quantity of paper which a producer of paper may deliver to any customer during the licence period of March 3 to June 1, 1940, is reduced from 60 per cent to 30 per cent of the quantity delivered in the reference period of March 1 to May 31, 1939;

(b) Similarly, the quantity of paper of his own production which any producer of paper may convert during the licence period is reduced from 60 per cent to 30 per cent of the quantity converted in the reference period;

(c) Where any producer of paper has been authorized by any existing licence or special direction issued under the Control of Paper (No. 8) Order,

1940, to deliver any additional quantity of paper, such licence or direction shall be construed and have effect as authorizing the delivery of only one-half of the quantity of paper specified in the licence or direction;

(d) Similarly, where any person has been authorized by any existing licence or special direction under the Control of Paper (No. 8) Order, 1940, to convert any additional quantity of paper produced by him, such licence or direction shall be construed and have effect as authorizing conversion of only one-half of the quantity of paper specified in the licence or direction.

The effect of these provisions is that, in cases where a producer of paper has already delivered to any customer during the current licence period 30 per cent or more of the quantity of paper delivered to that customer in the reference period in 1939, further deliveries to that customer are prohibited except under licence during the remainder of the current licence period up to and including June 1, 1940. Similarly, if a producer of paper has converted during the current licence period 30 per cent or more of the quantity of paper of his own production converted by him in the reference period in 1939, the conversion of any further paper, except under licence, is prohibited during the remainder of the current licence period. Moreover, in cases where the delivery or conversion of any additional quantity of paper authorized by licence is equal to, or more than half of, the quantity of paper specified in that licence, the delivery or conversion of further paper under that licence is prohibited.

Deliveries to Government departments and for direct export continue to be exempted from these provisions and the delivery or conversion of additional quantities of paper may be authorized by licence.

It is being emphasized by the Paper Control that the strictest possible economy must be exercised in packing and wrapping and that the normal standards of packing and wrapping can no longer be maintained.

POINTS FOR EXPORTERS TO PALESTINE

HENRI TURCOT, CANADIAN TRADE COMMISSIONER

Cairo, March 18, 1940.—Palestine has been under British administration since 1917 and under British mandate since September 29, 1923. From the commercial standpoint, article 18 of the mandate is of special importance; it stipulates that there shall be no discrimination in Palestine against the nationals or goods of any state member of the League of Nations, and that Palestine may conclude special customs agreements with countries the territory of which in 1914 was wholly included in Asiatic Turkey or Arabia. (Special agreements have been concluded with Syria and the Lebanon, Iraq, and Trans-Jordan).

AREA AND POPULATION

Palestine has an area of 10,400 square miles and an estimated population (September 30, 1938) of 1,353,706, of which 828,590 are Moslems, 403,498 Jews, 109,831 Christians, and 11,787 others. The principal towns and chief centres of import trade are Jerusalem (125,000), Tel-Aviv (140,000), Haifa (99,000), and Jaffa (71,000).

PRODUCTION

Agriculture.—Palestine is primarily an agricultural country, citrus-growing representing the most important activity. Other products of importance are grapes, cereals, vegetables, olives, melons, tobacco, poultry, eggs, and dairy produce. Grain, particularly wheat, and flour are relatively important items of import.

Industry.—The principal industries are those using local products and raw materials. Commodities produced include wheat flour, wine, beer and spirits, oils and soaps, tobacco and cigarettes, fruit juices and essences, cement and cement products, potash, bromine, sulphur, and salt. Chemical companies, oil works, and flour mills have fairly large undertakings.

In addition, there has been in recent years a marked expansion in industries using imported raw materials; the main products of these are cotton goods, silk and artificial silk goods, hosiery, chocolate and confectionery, matches, rice products, artificial teeth, leather goods, razor blades, and metal manufactures.

IMPORTS

In 1939 Palestine imports were valued at £14,632,822 and were as follows: food, drink and tobacco (grain and flour, foodstuffs, meat, living animals for food, dairy produce, fresh fruits, nuts and vegetables, beverages, tobacco, etc.), £3,755,794; raw materials and articles mainly unmanufactured (coal, wood and timber, textile materials, seeds, undressed hides and skins, etc.), £1,480,914; articles wholly or mainly manufactured (iron and steel manufactures, hardware, machinery, electrical goods and apparatus, manufactures of wood and timber, textiles, apparel, chemical drugs, dyes and colours, oil and fats, paper and cardboard, leather, rubber manufactures, motor vehicles, aircraft, etc.), £9,362,443; and living animals not for food, £33,671.

As is apparent from the above, Palestine imports consist chiefly of manufactured goods, including prepared foodstuffs, while the demand for raw materials is comparatively small.

CHARACTERISTICS OF MARKET

Before the war, Palestine was not an easy market for Canadian manufacturers to enter, due to the fact that it was mostly supplied by European producers, who, besides being within convenient reach, had the additional advantage of cheaper wages. Moreover, the Palestine tariff has but a single column of duties, with no preferential treatment for Canadian products. Conditions, however, have changed since the outbreak of war in Europe, and, when considering the trade opportunities offered by Palestine, Canadian exporters should bear in mind that trading with Germany and countries in enemy occupation has been cut off, and importation from many other European countries, on account of export prohibitions and disruption of shipping facilities, is difficult.

Palestine was formerly a price market, quality, so far as the greater part of the trade was concerned, being of secondary importance. Competition was extremely keen, especially among European suppliers, who had come to look upon this market, where no anti-dumping legislation is in force, as one where they could dispose of their surplus production, second-grade goods, rejects, and products which were no longer in fashion or were otherwise unsaleable in the countries of production. A number of European competitors have now disappeared from the market, and the price factor is less important than finding sources of supply to replace those closed by the war.

Due consideration being given to the complete cessation of imports from enemy countries, to the scarcity of shipments from various other continental sources, and to the number and nature of the inquiries received at the Cairo office, an opportunity is presented for Canada to consolidate her position in respect of the commodities she is now supplying to Palestine. These include wheat, flour, oatmeal, cereal food, apples, tires and tubes, rubber manufactures, canned salmon, canned sardines, upper leather, evaporated milk, silk hosiery, railroad ties, planks and boards, paper, ploughs and parts, farm implements, hardware, automobiles, automobile parts, and electrical apparatus. Canada may

also be able to develop a market for other products. Of late, interest has centred more particularly in timber, newsprint, paper of all kinds, foodstuffs, and various manufactured articles.

REPRESENTATION

Palestine import trade is carried on chiefly through commission agents, and, as the demand for any one line is limited, agents generally handle several classes of goods. Import houses purchasing on their own account or carrying stocks are rather few.

Great care must be taken in the choice of a representative, special attention being given to reliability and business knowledge. If furnished with proper literature, samples, and other relevant data, the Canadian Trade Commissioner in Cairo will make a preliminary survey of the market, report on sales prospects, and offer suggestions as to the best type of representative. But after this has been done, it is most desirable that, where the expense is justified by the business offering, a representative of the Canadian exporter visit Palestine for the purpose of studying thoroughly the requirements of the market and of selecting and appointing an agent.

Full information in respect of the standing of prospective agents should under all circumstances be obtained before they are appointed. Still more is it advisable, when credit terms are asked for, to require similar information with regard to buyers from whom the commission agent obtains orders. Credit information is available from the leading local banks (Barclay's Bank, Anglo-Palestine Bank, Ottoman Bank, etc.), and from the office of the Canadian Trade Commissioner at Cairo. Canadian banks have established connections with local banking institutions, and they may also be able to furnish such information. Moreover, the Department of Trade and Commerce, Ottawa, can supply preliminary information on the financial standing of certain selected Palestine firms.

Palestine agents do not as a rule require a formal contract; an exchange of letters between the exporter and the agent is generally considered sufficient, the exporter stipulating the terms of the agreement with respect to the period for which the agency is given, the territory to be covered, the commission to be granted, etc., and the agent acknowledging the exporter's letter. The commission rate varies according to the nature of the goods and Palestine trade practice.

TERMS OF PAYMENT

Before the war, terms of payment prevailing in the Palestine market ranged from cash against documents after the arrival of the goods or on presentation down to short-term credits in the form of 30, 60, and 90 days' acceptances upon delivery of documents to importers, which formed the basis of most commercial transactions, and even longer credits. However, the opening of letter of credit has become, since the beginning of the war, an established practice, and there is, broadly speaking, no objection to quoting on this basis.

QUOTATIONS

In normal times, quotations c.i.f. Palestine ports were invariably demanded, but present conditions make it difficult to quote on such a basis. F.a.s. or f.o.b. prices are acceptable; they should, however, be accompanied by an estimate of the cost of freight, insurance and war risks, any increase in these to be for buyer's account.

Up-to-date catalogues and literature should be forwarded along with quotations, and the fullest information should be supplied with respect to the commodity offered. If not too bulky, samples should be sent. Terms, discounts,

etc., should be clearly indicated. The metric system is used in Palestine both commercially and by the Government.

English, Arabic, and Hebrew are the official languages of the country, but German and French are also widely used. Catalogues and literature in English or French would be acceptable.

BUYING SEASONS

There are two main buying seasons in Palestine, which cover two or three months before the beginning of the winter and summer seasons, respectively; thus August and December are the principal buying months.

PORTS AND STEAMSHIP SERVICES

Palestine's chief ports are Haifa and Jaffa, the latter including the Tel-Aviv jetty and lighter basin.

Under present conditions it is not possible to give a list of steamship companies maintaining freight services between Canadian and Palestine ports; Canadian exporters are advised to apply for information to Messrs. McLean, Kennedy Limited, 119 Coristine Building, Montreal.

Canadian exports to Palestine are often routed via New York and the American Export Line, 25 Broadway, New York City.

POSTAGE

The postal rate from Canada to Palestine for letters and other first-class mail is 3 cents for the first ounce and 2 cents for each additional ounce or fraction thereof. To points north of Acre the rate is 5 cents for the first ounce and 3 cents for each additional ounce.

The air mail rate for first-class mail matter is 30 cents for each half-ounce or fraction thereof.

Parcel post rates, via England and Egypt, are as follows: 1 pound, 65 cents; 2 pounds, 75 cents; 3 pounds, 85 cents; 4 pounds, \$1.25; 5 pounds, \$1.35; 6 pounds, \$1.45; 7 pounds, \$1.55; 8 pounds, \$1.90; 9 pounds, \$2; 10 pounds, \$2.10; over 10 pounds up to 15 pounds, \$3.25; over 15 pounds up to 20 pounds, \$3.75.

Parcels must be packed in strong wood, tin, canvas, linen or similar material and not merely in paper or cardboard.

CUSTOMS TARIFF

The Palestine customs tariff, which has but a single column of duties, was at first wholly on an ad valorem basis; it has been gradually specified to provide protection for local industries and to simplify the assessment of duty. Of approximately 800 items which it contains, about 330 are assessed specific duties. Ad valorem rates vary from 8 to 40 per cent. In the absence of a special rate for any commodity, a general rate of 12 per cent ad valorem is levied.

INVOICE REGULATIONS

Invoice requirements for goods shipped to Palestine are set forth in "General Commercial Information," a bulletin issued by the Department of Customs, Excise and Trade, as follows:—

(1) All invoices of imported goods shall state the true value of such goods and shall contain:—(a) a correct and full description of the goods with true numbers, weights or quantities according to the terms of the Customs Duties Ordinance for the time being in force, and (b) a statement of the country of origin of the goods.

(2) For the purposes of sub-rule (1) hereof, the country of origin of any goods: (a) in the case of primary goods shall be the country of origin in which the goods were grown

or produced, and (b) in the case of manufactured articles, the country in which the manufacturing process was substantially completed.

Invoices shall have endorsed thereon a declaration signed by the manufacturer, consignor, owner or the duly authorized agent of the manufacturer, consignor or owner, stating that the invoice is in all respects correct and true, that is to say, that it contains a true statement of the cost of the goods and of all charges thereon, and, when the goods are obtained in any other manner than by purchase, that the value stated is the actual market value of exportation, together with all charges incidental to the exportation of the goods to Palestine; such declaration shall be witnessed. (The witnessing of the signature of a person or a member of a firm certifying the correctness and authenticity of invoices may be performed by a credible employee such as a principal or head clerk of the exporting firm issuing the invoice. The designation or qualification of such witness should also be appended.)

Where any of the following charges are included in the invoiced cost or value of the goods, the invoice shall state specifically the charges which are so included—packing, transport in the country of export, expenses in shipping or loading, dock dues, agents' fees, freight by rail or sea, all insurance against any and every risk and any other charges incurred in the exportation of the goods to Palestine.

All invoices of goods to be imported into Palestine shall set forth:—(a) a detailed description of the goods, including the name by which each item is known, the grade or quality, and the marks, numbers and symbols under which sold by the seller or manufacturer, together with the marks and numbers of the packages in which the goods are packed; (b) the quantity of each kind, grade or quality in the metric system of weights and measures according to the nomenclature of the Palestine customs tariff; (c) the price or value of each unit; (d) the gross weight of each package; (e) the net weight of the goods contained in each package; (f) the total gross and net weights of the consignment.

In cases where duty is charged on inner containers, the weight declared in respect of each item shall be that of the goods including the inner containers; when the goods are enclosed in two or more containers, one being the outer case or package, the inner container is taken to be that in which the goods are usually sold by retail; nevertheless, if the goods are ordinarily sold in bulk by retail, the weight of the goods including the weight of the inner containers is required if the goods are enclosed in inner containers on importation.

In the case of textiles in the piece, not including made up articles, the invoice shall state the composition of the goods, such as cotton, wool, mixed cotton and silk, the length, width and weight of each piece, and the weight per square metre, of each kind, grade or quality; in the case of textiles composed of two or more materials, the percentage of each class of material shall be stated.

When a consignment consists of more than one package, the required particulars in respect of the contents of each package, if not supplied on the invoice, must be stated on a separate specification and summarized on the invoice; in all cases the invoice shall show the marks and numbers of the packages and the quality, description and total value of the goods.

Except in the case of household and personal effects accompanying a passenger or arriving within the prescribed time before or after the owner, no goods shall be allowed to be entered for importation without the production of an invoice containing the particulars prescribed by these rules unless the Collector of Customs shall be satisfied that the failure to produce the required invoice is due to causes beyond the control of the owner, importer, consignee or agent.

No official invoice form has been prescribed under the Customs Ordinance of Palestine. A suggested form, copies of which may be obtained from the Department of Trade and Commerce, Ottawa, has been prepared by the Palestine Department of Customs and circulated for the guidance of the trading community. The use of this form is not obligatory; any other form may be substituted so long as the required information is supplied. There are no particular requirements regarding invoices covering shipments from Canada.

The importer's advice concerning methods of packing should be strictly followed by the exporter.

IMPORT REGULATIONS

Effective December 22, 1939, the importation into Palestine of most commodities which normally enter the country is prohibited except under licence. Canadian exporters should therefore ascertain, before shipping to this country, whether the goods concerned are subject to an import permit, and make sure that an import licence has been obtained by the purchaser. (A complete list

of the goods for the importation of which a licence is necessary is on file at the Department of Trade and Commerce, Ottawa.)

EXCHANGE CONTROL AND PAYMENT OF CANADIAN GOODS

Exchange control was established in Palestine on September 8, 1939, and information received from an official source indicates that imports into Palestine from countries not included in the sterling group may be paid for in sterling or in the currency of the exporting country. The practice of paying for imports in foreign currency other than that of the exporting country is not encouraged and is only permitted in exceptional cases. It follows that imports from Canada into Palestine may be paid for in sterling or in Canadian dollars and only exceptionally in other currencies. Quotations should be made accordingly.

BUSINESS CONDITIONS IN INDIA, 1939

PAUL SYKES, CANADIAN TRADE COMMISSIONER

(One rupee is approximately equal to \$0.33 Canadian)

Calcutta, February 24, 1940.—For a considerable time prior to the beginning of 1939 conditions had been generally dull, and the disturbed international situation prevented any marked progress. However, increased demand in several export markets, together with a variety of favourable influences within the country, had induced hopes of improvement. These were well on the way to realization before the outbreak of war, and whatever may be the eventual result of this all-important factor it has for the time being strengthened the upward trend in economic conditions and the general welfare of this country. The year ended with an increased degree of prosperity clearly apparent in most of India's principal industries and with numerous indications that this influence will soon affect a large part of the population.

AGRICULTURE

Official returns of agricultural production in India now available are principally for the 1938-39 season. The rice crop declined from 26,763,000 tons in 1937-38 to 23,577,000 tons in 1938-39. Rape and mustard seed production fell off from 1,024,000 tons to 917,000 tons, linseed from 461,000 tons to 445,000 tons, and wheat from 10,764,000 tons to 9,927,000 tons. Groundnut production also declined from 3,501,000 tons to 3,031,000 tons, sugar cane from 5,400,000 tons to 4,090,000 tons, sesamum from 465,000 tons to 395,000 tons, cotton from 5,779,000 bales to 5,120,000 bales, and jute from 8,681,000 bales to 6,696,000 bales. These serious declines in the output of India's principal crops, which in the case of sugar cane and jute were as large as 24 and 23 per cent, respectively, were offset in only one instance, castorseed production having increased from 104,000 tons in 1937-38 to 113,000 tons in 1938-39.

Forecasts of the production of jute, cotton, and sesamum for the 1939-40 season are already available. The jute crop is expected to be a large one, estimated outturn being 9,646,000 bales, or 141 per cent of the previous season's total. Sesamum production is expected to amount to 394,000 tons, or 107 per cent of the 1938-39 total. Cotton production will apparently fall short of the 1938-39 output, the latest forecast indicating a crop of 4,374,000 bales, or 91 per cent of that for the preceding year. Other crops for which production figures are not yet available are unlikely to show important increases, data for areas sown, except in the case of sugar cane and rape and mustard seed, being generally less than during 1938-39.

There has been a considerable improvement in the position of the farmers in many parts of the country, resulting from improved prices for several of the more important crops. The jute-growing districts of Bengal have benefited greatly from a rising market, while various other areas also show signs of the advent of better times.

INDUSTRY

The cotton industry in India had for some time been faced with disaster. Unrestricted production, reduced demand from the Egyptian market, and abnormally large imports of yarn had combined with other minor factors to place the industry in a position where the closing down of some of the mills appeared inevitable. The war saved such a move, and in the last four months of the year a considerable degree of recovery was recorded. Both prices and demand have improved, and the outlook for the time being is a satisfactory one.

Unprecedented orders for sandbags enabled the jute industry to record a more prosperous year than for some time past. The outlook had been a poor one owing to unliquidated stocks and weak demand, but several large contracts for sandbags for the British and French Governments, together with better conditions in other markets, have now placed the industry in a greatly improved position.

The tea industry, which in 1939 celebrated its hundredth anniversary, had a generally profitable year. Improved consumption appears certain while prices, although controlled, are expected to show adequate returns to the producers and the trade.

Iron and steel producers have had a satisfactory year. Domestic and export demand have been keen, and the installation of increased production facilities appears to have been justified. The sugar industry had a satisfactory year despite increased competition from Java. Cement production, on the other hand, showed poor returns, while the coal trade has shown few changes from the position in 1938. Paper mills have had a prosperous year and anticipate further favourable conditions.

The general effect of the war on Indian industries is likely to be extensive and beneficial. A correction of the depressed conditions which were particularly noticeable in the textile trade has already become evident, while the limitation of competition from abroad and the increased opportunities for export business may well exercise a widespread and permanent effect on the industrial development of this country.

TRANSPORTATION

The approximate gross earnings of Indian state-owned railways for the period April 1 to December 31, 1939, amounted to Rs.709,100,000, an increase of Rs.14,200,000 over the total for the same months of 1938. Car loadings improved during the same period by 22,517 to a total of 5,245,107. The year has been marked by several notable fluctuations, but the net results are considered satisfactory.

LABOUR

There has been a considerable improvement in the labour situation as compared with 1938. During the first six months of the year, data for which are the latest available, the number of industrial disputes was approximately the same as in both 1937 and 1938, but the number of workers involved was much less than in either of these years, while the number of working days lost was considerably less than half. Both the cotton and jute mills benefited from improved relationships between employers and workers, the position with regard to other industries having shown little change.

PRICES

Commodity prices showed a slightly upward tendency during the first half of the year, but immediately following the outbreak of war several marked increases were recorded. Whereas the Calcutta index of wholesale commodity prices increased from 95 in December, 1938, to 101 in May, 1939, it had receded to 100 in July and remained at that figure during August. With the outbreak of war jute prices showed rapid and extensive appreciation and led to many unjustifiable increases in the cost of other goods. By December the Calcutta index stood at 137.

The Central Government took early steps to prevent unwarranted increases in commodity prices and authorized the Provincial Governments to enforce all necessary regulations to ensure this objective. The general tendency still continued to be upward by the end of the year, although it was expected that reckless speculation would eventually lead to a collapse in various commodity markets.

BANKING

Practically every branch of India's banking business showed a considerable expansion during 1939. An early seasonal demand for funds gave way to a slack period which was followed by the inevitable confusion occasioned by the war. This was soon succeeded by abnormally keen demand, and at the end of the year the scheduled banks reported total liabilities amounting to the record figure of Rs.2,513,300,000. Demand liabilities increased by two-thirds of this amount, while time liabilities showed a slight decline. Advances increased from Rs.1,145,740,000 to Rs.1,431,635,000 as at the end of 1938 and 1939, respectively.

EXCHANGE

The rupee-sterling exchange rate was steady during the first six months of the year. The T.T. rate quoted in January of $1/5\frac{2}{3}$ to $1/5\frac{1}{8}$ dropped to $1/5\frac{2}{3}$ in May but revived to its original level in July. After war had broken out, the Reserve Bank was authorized to administer various regulations affecting transactions in coin, bullion, securities, and exchange. The situation was for some time affected by the difficulty of arranging forward business but, with the active participation of the Reserve Bank, the T.T. rate was readjusted to $1/5\frac{2}{3}$, at which it remained steady during the closing weeks of the year.

FOREIGN TRADE

India's overseas trade during the last three quarters of 1939 showed a great improvement over that for the same months of 1938. Imports increased in value from Rs.1,095,851,416 to Rs.1,182,893,163 and exports from Rs.1,264,567,914 to Rs.1,465,437,420. The increase in the value of both branches of the country's overseas trade indicates a distinct return to more prosperous conditions than have been experienced for some time past, while the improvement in the favourable trade balance from Rs.168,717,000 in April-December, 1938, to Rs.282,544,000 in the 1939 period is a particularly encouraging factor in the situation.

OUTLOOK FOR 1940

At the beginning of 1939 India looked forward to a better year than had been experienced in 1938. The general feeling was that times could not be much worse than they had been and that several encouraging features in the world economic situation as well as in domestic affairs were likely to lead to practical and beneficial results. By July the position had shown several improve-

ments while, following the disturbance caused by the outbreak of war, the position developed into one where India's ability to supply the needs of her own and many foreign markets indicates a period of abnormal prosperity. In his report for the year the Governor of the Reserve Bank of India, after issuing a caution against undue optimism such as followed the last war, stated that "on the whole.....the economic outlook at the end of the year appeared to be brighter than at any time during the past ten years."

FOREIGN TRADE OF FRANCE, JANUARY-JULY, 1939

HERCULE BARRÉ, COMMERCIAL ATTACHÉ

(The average rate of exchange from January to July, 1939, was 37·65 francs to the Canadian dollar; the average value of the franc was thus 2·66 Canadian cents.)

Paris, March 12, 1940.—French trade statistics have not been published since the end of July, 1939. Any detailed study of French trade, therefore, must be limited to the first seven months of the year. This review is thus of less scope than under normal circumstances.

Total French imports from all sources during the seven months were valued at 28,692,793,000 francs (\$765,000,000) as against 26,779,231,000 francs in 1938, an increase in terms of francs of 7 per cent. Total exports amounted to 20,924,099,000 francs (\$557,973,000) as against 16,248,800,000 francs in 1938, an increase of 28 per cent. There was thus an unfavourable balance of trade in excess of \$200,000,000.

Gross tonnage of imported goods in 1939 amounted to 25,930,734 tons, a decrease of about 10 per cent from the total of 28,284,562 tons imported during the corresponding period of the preceding year. This decrease, however, was due solely to increased domestic production of coal, which permitted a reduction in imports from 13,718,000 tons to 11,421,558 tons.

The volume of exports amounted to 16,705,695 tons as against 15,596,992 tons in the preceding year, an increase of about 8 per cent.

IMPORT TRADE

The value of imports from foreign countries, not including the French colonies, by categories was as follows:—foodstuffs, 1,982,176,000 francs (\$52,858,000); raw materials, 14,042,123,000 francs (\$374,456,000); manufactured goods, 4,622,429,000 francs (\$123,270,000).

The quantities and values of principal imports into France for the period under review, not including imports from the colonies, by chief categories, were as follows:—

Imports Into France by Chief Categories

	M. Tons	1,000 Frs.
Total all foodstuffs	663,891	1,982,176
Animals and meats	15,590	109,799
Fats and greases	4,787	37,761
Dairy products	9,713	129,353
Fish	34,849	150,972
Beverages	9,705	55,928
Cereals, fruits, vegetables	372,459	898,866
Sugars	143,732	222,342
Condiments, coffee, etc.	70,735	364,551
Total raw materials	19,573,040	14,042,123
Textile fibres	442,068	4,180,276
Metals and ores	606,390	1,490,805
Combustibles	15,593,822	4,570,133
Wood-pulp and rags	407,601	469,327
Earths and stones	994,080	317,266

Imports into France by Chief Categories—Concluded

	M. Tons	1,000 Frs.
Hides and skins	22,309	559,186
Oil seeds	369,411	702,469
Raw rubber	30,535	339,355
Common lumber	192,605	179,998
Other raw materials .. . . .	.....	1,513,306
Total finished products	895,177	4,622,429
Industrial chemicals	735,827	840,231
Mechanical goods	79,070	1,979,355
Yarns and tissues	16,707	269,954
Clothing	1,005	106,829
Prepared skins	3,549	125,975
Art and luxury goods	2,360	232,767
Pottery and glass	30,362	147,085
Paper and paper manufactures	13,518	144,783
Other manufactured goods .. . . .	.....	775,450

CHIEF SOURCES OF SUPPLY

The following table shows the values of imports into France from the twenty leading sources of supply in the first seven months of 1939 and 1938:—

Imports Into France by Leading Countries

	Jan.-July, 1939	Jan.-July, 1938
	Thousands of	Thousands of
	Franks	Franks
French colonies	8,046,085	7,025,165
United States	3,298,966	3,123,106
Belgium	2,011,112	1,839,518
Germany	1,760,130	2,111,090
Great Britain	1,663,100	1,983,232
Australia	1,098,382	868,768
British India	833,430	704,962
Argentina	704,996	596,119
Switzerland	688,782	541,463
Netherlands	651,292	620,088
Sweden	462,037	423,454
Brazil	405,660	348,552
Italy	402,845	305,672
Egypt	345,762	323,416
Poland	330,898	270,556
British Malaya	323,826	335,302
Canada	313,790	352,326
South Africa	310,325	270,002
Soviet Russia	275,956	380,965
Japan	234,507	199,134

It will be seen from the above list that Canada fell from thirteenth to seventeenth place among supplying countries. This was due almost entirely to decreases in the supply of wheat, furs and cellulose.

For the second year in succession, the United States was first among foreign sources of supply, superseding Great Britain. Belgium also superseded both Great Britain and Germany. Australia was well up in the list of supplying countries, due solely to the importance of the French market for wool.

PRINCIPAL IMPORT ITEMS

Imports of twenty commodities form nearly 80 per cent of the value of France's total imports. The values of the imports of these twenty commodities from all sources, and from foreign countries only, were as follows:—

Value of Imports of Twenty Leading Commodities

	All Sources	Foreign Countries Only
	Millions of	Franks
Coal	2,509	2,454
Wool	2,253	2,157
Wine	2,232	46

	All Sources Millions of	Foreign Countries Only Frances
Mineral oils	2,118	2,116
Oil seeds	1,636	702
Machinery	1,138	1,128
Cotton	1,077	1,043
Fresh fruits	1,045	513
Cereals	981	161
Hides and skins	648	559
Coffee	630	343
Copper	590	586
Sugar	553	193
Rubber	462	339
Rice	423	23
Wood-pulp	368	368
Metal manufactures	353	351
Fresh vegetables	313	85
Common lumber	295	180
Earths and stones	280	151

EXPORT TRADE

French exports to foreign countries are chiefly in the form of manufactured goods. Excluding the French colonies, the value of exports by chief categories was as follows for the first seven months of 1939: food products, 1,869,400,000 francs (\$49,850,000); raw materials, 5,577,044,000 francs (\$148,720,000); finished goods, 7,573,952,000 francs (\$201,970,000).

The values of the twenty most important commodities exported under these categories, in thousands of francs, were as follows: iron and steel, 1,654,525; cotton textiles, 970,340; wool, 931,945; metal manufactures, 822,795; automobiles, 750,136; motors and parts, 699,445; silk and rayon textiles, 684,570; wines, 523,251; hides and skins, 496,279; sugar, 448,361; cereals, 415,271; prepared skins, 407,390; spirits and liqueurs, 396,593; woollen yarns, 379,913; paper, 341,852; prepared medicines, 288,947; woollen textiles, 275,776; potassium chloride, 265,985; common lumber, 249,420; pottery and glass, 247,029; perfumes and soap, 236,679.

The following table shows the value of exports from France to the twenty leading markets in the first seven months of 1939 and 1938:—

Exports from France by Leading Countries

	Jan.-July, 1939 Thousands of	Jan.-July, 1938 Frances
French Colonies	5,903,703	4,472,097
Great Britain	2,605,949	1,882,155
Belgium	2,588,843	2,182,337
Switzerland	1,422,549	1,026,061
United States	1,302,224	798,562
Netherlands	1,053,571	671,549
Germany	900,892	1,127,184
Argentina	535,537	412,749
Sweden	447,757	235,855
Poland	249,595	181,377
Egypt	242,883	146,652
Italy	234,305	246,159
China	219,931	129,411
Norway	206,890	117,357
Portugal	183,739	125,784
Czecho-Slovakia	174,240	259,227
Brazil	170,365	164,109
Roumania	169,732	175,546
British India	153,834	86,934
Yugoslavia	117,580	71,115
Spain	115,456	255,673
Canada	113,843	88,717
Netherlands India	111,181	70,755
South Africa	98,774	83,159
Finland	96,345	61,875

Canada was in twenty-second place among foreign countries buying French goods, retaining the position held in the previous year. Among the most notable changes were increases in French purchases by Great Britain and a decrease in such purchases by Germany.

BALANCES OF TRADE

France's largest favourable balances of trade were with the following countries: Great Britain, 943 million francs; Switzerland, 734 millions; Belgium, 578 millions; Netherlands, 402 millions; Denmark, 71 millions; China, 59 millions; Roumania, 54 millions; Spain, 48 million francs.

Countries with which France had a markedly unfavourable trade balance were: United States, 1,997 million francs; Australia, 1,014 millions; Germany, 859 millions; British India, 679 millions; British Malaya, 301 millions; Brazil, 235 millions; South Africa, 211 millions; Soviet Russia, 205 millions; Canada, 200 million francs.

OBLIGATORY STOCKS IN BELGIUM

Mr. Yves Lamontagne, Commercial Attaché in Brussels, has advised that the *Moniteur Belge* of April 7, 1940, published a number of decrees providing for the constitution in Belgium of obligatory reserves of certain foodstuffs and products of primary necessity, in continuation of measures taken previously following the outbreak of the hostilities in Europe.

Millers who are importers of wheat must possess in the country a reserve of foreign wheat representing $7\frac{1}{2}$ per cent of the quantities milled during the period February 14, 1938, to February 18, 1939. This measure does not apply to millers, who have milled less than 1,000 metric tons during this period.

Manufacturers of margarine must possess in Belgium a reserve of the raw materials necessary to ensure the manufacture of 25 per cent of the quantities produced by them during 1938.

Importers of frozen meats must possess in Belgium a reserve stock of frozen meats representing 20 per cent of the quotas attributed to them half-yearly.

Importers of the following products, as well as manufacturers, wholesalers, large retailers and merchants, must possess in their warehouses or establishments, a reserve equal to one-third of the average monthly quantities sold for internal consumption during the past twelve months: semolina, oatmeal, macaroni and similar products, dry vegetables, condensed milk, canned vegetables, canned fish or shell-fish, canned meats, table oils, lard, beef fat, chocolate other than fancy sweets, household starch, coffee, roasted chicory, pepper, edible suet, vinegar, refined sugar and brown sugar, common soap and matches. Reserves of these products were to be constituted within thirty days of the date of publication of the decrees.

CONDITIONS IN CHINA IN 1939

V. E. DUCLOS, CANADIAN TRADE COMMISSIONER

(For purposes of this report the Chinese dollar has been converted at the following average rates for the past four years: 1936, U.S.\$0.295; 1937, U.S.\$0.292; 1938, U.S.\$0.21; and 1939, U.S.\$0.11.)

Shanghai, February 25, 1940.—The long-drawn out Sino-Japanese hostilities, which were waged with undiminished intensity during 1939, continued to have a profound effect on economic conditions in China, although in some of the occupied areas where actual fighting was not in progress there was a gradual return to normalcy. This was particularly noticeable in Shanghai,

where a marked revival in trade was experienced despite the drastic fall in exchange in June and the outbreak of war in Europe in September, both of which events curtailed business in many directions. Nevertheless the year 1939 was a trying one for Shanghai, due to the uncertainty of the currency situation and the continuous effects of trade and transport restrictions in the hinterland and coastal ports, which put many difficulties in the way of trading with interior points. The slump in the value of the Chinese dollar caused a reduction in imports of many lines, particularly luxury goods, and greatly increased the cost of living for foreigners and Chinese alike, while the outbreak of war in Europe further handicapped China's economic recovery by reducing the supply of raw materials and curtailing shipping facilities.

These difficulties, however, were not to be compared to the adverse conditions experienced by importers in North China, where, in addition to the Japanese blockade of the British Concession, which brought the trade of the port to a virtual standstill, Tientsin and the surrounding country was visited in August with the worst floods in living memory. All normal means of communication were cut off as a result of the high waters, which caused damage estimated at Chinese \$100 million and threatened two million people with death by drowning or famine.

In view of these adverse factors, combined with the continued closure of the Yangtze River to third power shipping, it is surprising that the volume of foreign trade remained so high. Never has the well-known adaptation of the Chinese to changed conditions been more clearly demonstrated than during the two-and-a-half years of Sino-Japanese hostilities. Despite the ravages of war, floods and famine, the foreign trade of China was carried on to almost the same extent as in the pre-war period, and rapid progress was made in the industrial and agricultural development of those provinces still under Chinese control, which are known as "Free China." In those provinces various branches of the Chinese Government continued to do excellent work in the improvement of sericulture, wood-oil and other China produce, in the setting-up of public granaries, the development of mines, the building of new railroads and highways, and the establishment of heavy industries. China's adaptation to conditions can only be accounted as prodigious when one considers the work done during the past two years in providing for the thousands made destitute by the war and floods, in developing new sources of wealth, and in opening and keeping open communications by highway, rail and air between "Free China" and the outside world.

FOREIGN TRADE OF CHINA

The extent to which the foreign trade of China is recovering from the paralysing effect of war conditions, despite the handicaps under which it is carried on, is illustrated by the following table, compiled from the returns issued by the Chinese Maritime Customs for the four-year period 1936 to 1939:—

	1936 Figures in	1937 Millions of	1938 Chinese	1939 Dollars
Imports	\$ 941	\$ 953	\$ 886	\$1,334
Exports	706	838	763	1,027
Total trade	\$1,647	\$1,791	\$1,649	\$2,361
Excess of imports	\$ 235	\$ 115	\$ 123	\$ 307

From these figures it would appear that in terms of Chinese dollars the foreign trade of China was considerably greater in 1939 than in the pre-war year 1936, imports showing an increase of 50 per cent and exports an increase of 35 per cent. It should be borne in mind, however, that the procedure adopted

by the Chinese Maritime Customs in compiling their returns and the wide fluctuations in the value of the Chinese dollar during the last two years make statistical comparisons difficult and misleading. Although the open market value of the Chinese dollar fluctuated during 1939 between U.S.\$0.16½ and \$0.07, the Chinese Government maintained the rate of U.S.\$0.29½ (the rate fixed when managed currency was introduced in 1935) for official purposes, and this basis was used by the Chinese Maritime Customs for the conversion into standard dollars of the declared gold unit value of imports (the gold unit being the monetary unit specially adopted in 1930 by the Chinese Maritime Customs for the valuation of imports and payment of duties to combat the effect of the declining value of silver).

The standard dollar valuation of imports, therefore, as shown above, is not augmented by the depreciation on the open market of Chinese money in relation to foreign currencies and, as export values are recorded in Chinese dollars, the average value of which during 1939 was \$1 Chinese equals U.S.\$0.11, it follows that there is a comparison in the foregoing table between import values in units of U.S.\$0.29½ and export values in units of approximately U.S.\$0.11. An entirely different picture is presented when the figures given above are compared with the following table, which shows import values converted from gold units into dollars at the open market rate instead of the official rate:—

	1936 Figures in Millions	1937 of Chinese	1938 Dollars	1939 Dollars
Imports	\$ 942	\$ 952	\$1,247	\$3,222
Exports	706	838	763	1,027
Total trade	\$1,648	\$1,790	\$2,010	\$4,249
Excess of imports	\$ 236	\$ 114	\$ 484	\$2,195

Although from these tables it would appear that there has been a large increase in exports, this was due to the rise in prices caused by the fall in exchange, and they failed to show a similar increase in volume. A truer perspective of China's foreign trade can be gained from the following table giving the customs returns for imports and exports converted into United States currency at the average open market rates for each year:—

	1936 Figures in Millions	1937 of U.S.	1938 Dollars	1939 Dollars
Imports	\$278	\$278	\$262	\$354
Exports	208	245	160	113
Total trade	\$486	\$523	\$422	\$467
Excess of imports	\$ 70	\$ 33	\$102	\$241

From the foregoing it will be noted that China is actually now buying in larger quantities but selling less. There were signs towards the end of the year that this trend was changing (as, theoretically, it should change with the lower value of the dollar). In November the import surplus was the lowest recorded for any month during 1939, but in December there was again an increase in imports and a considerable drop in export trade.

The order of importance of the major countries which participated in China's foreign trade during 1939, with the respective total values of their combined import and export trades converted into United States currency at the average rate for the year, was as follows: United States, \$40 million; Japan Proper, \$35 million; Great Britain, \$15 million; British India, \$14 million; Kwantung Leased Territory, \$13 million; Germany, \$12 million; French Indo-China, \$9 million; Netherlands India, \$7 million; Australia, \$7 million; and Canada, \$2 million.

FOREIGN TRADE OF SHANGHAI

Shanghai's total foreign trade in 1939 was valued at U.S.\$220 million as compared with U.S.\$126 million in 1938, U.S.\$266 million in 1937, and U.S.\$272 million in 1936. The recovery in total trade in 1939 from the low level of 1938 was due mainly to imports, the increase of U.S.\$94.3 million being made up of U.S.\$75.9 million in imports and U.S.\$18.4 in exports. As in the case of the foreign trade of China, the customs figures for Shanghai show the imports valued in gold units converted into Chinese national currency at the official rate of exchange (U.S.\$0.29½), which gives an export surplus in Shanghai's trade for 1939 of Chinese \$11.6 million, but obviously this is misleading. Actually, with imports valued on the same basis as exports, there was an import surplus of Chinese \$817.1 million, or U.S.\$89.9 million when converted into United States currency at the average exchange value of U.S.\$0.11 for the year.

Raw cotton accounted for nearly half of the total increase in imports, followed by cereals and flour (including rice). In both of these commodities (cotton and rice) China would be more or less self-supporting under normal conditions, but the war has laid waste vast stretches of land which ordinarily would be producing these two staples, with the result that it has been necessary to import large quantities to meet current requirements. The United States still retains its position at the head of the list of countries supplying goods to Shanghai, with British India second and Japan third. The high place occupied by British India is, of course, due to the heavy purchases of cotton by the Shanghai mills.

CUSTOMS AND TARIFF

One of the major complications arising from the Sino-Japanese hostilities lies in the administration of the Chinese Maritime Customs. Although it covers all the ports of China open to foreign trade and is normally under the control of the Chinese Government, the headquarters of the Chinese Maritime Customs are in the International Settlement of Shanghai, the greater part of China's foreign financial obligations being secured upon its revenue. Soon after the Japanese occupied Greater Shanghai in 1938, they claimed the right to take over control of the Chinese Maritime Customs. Other foreign powers objected to this in view of the foreign obligations involved, but finally, after prolonged negotiations, an arrangement was arrived at whereby the Chinese Maritime Customs would function as before, with the same senior personnel, provided all revenues collected within areas under Japanese occupation were deposited with the Yokohama Specie Bank, from which amounts quotas were to be remitted from time to time to the Inspector-General of Customs for the servicing of foreign loans and indemnities secured on the customs revenue. The Reformed Government of Nanking (sponsored by the Japanese) appointed a Superintendent of Customs in Shanghai as a liaison between the Japanese authorities and the Shanghai Office of the Customs. Although, theoretically speaking, this superintendent is not empowered to interfere with the administration of the customs, at the same time it is obvious that, as the main ports of China are now in the hands of the Japanese, the Chinese Government at Chungking is powerless to enforce its edicts in those ports or to prevent the Reformed Governments of Nanking and Peking from instituting their own regulations. The situation therefore obtains that two separate factions are issuing instructions to the Chinese Maritime Customs, one tariff being enforced in those areas still under Chinese jurisdiction while another is effective in the Japanese-occupied ports.

The following list shows the ports which at the close of 1939 were subject to the instructions issued by the Chinese Government at Chungking and those

others, occupied by the Japanese forces, which operate in accordance with the mandates of the Reformed Governments of Nanking and Peking through the headquarters of the Chinese Maritime Customs at Shanghai:—

Ports under Chinese Control		Ports under Japanese Control	
Ningpo.. . . .	Central China	Shanghai	Central China
Wuchow	Central China	Soochow	Central China
Wenchow.. . . .	Central China	Hangchow.. . . .	Central China
Lappa	South China	Amoy	South China
Pakhoi	South China	Swatow	South China
Santuo	South China	Canton	South China
Foochow	South China	Samshui	South China
Kowloon	South China	Kongmoon.	South China
Nanning	South China	Kiungchow.	South China
Lungchow.. . . .	South China	Chefoo	North China
Szema	South-West China	Lungkow	North China
Mengtsz	South-West China	Tsingtau	North China
Tengyueh	South-West China	Weihaiwei.	North China
Shasi	Upper Yangtze River	Chinwangtao.	North China
Ichang	Upper Yangtze River	Tientsin	North China
Changsha	Upper Yangtze River	Wuhu	Lower Yangtze River
Luichow	Upper Yangtze River	Hankow	Lower Yangtze River
Wanh sien	Upper Yangtze River	Yochow.	Lower Yangtze River
Chungking.. . . .	Upper Yangtze River	Nanking	Lower Yangtze River
		Chinkiang	Lower Yangtze River
		Kiukiang	Lower Yangtze River

IMPORT RESTRICTIONS

Excluding arrivals at Swatow (which was not occupied by the Japanese until July, 1939), imports into "Free China" during 1939 amounted to little more than 10 per cent of those entering Japanese-occupied ports.

On July 3 the Chinese Government at Chungking announced a series of import restrictions on luxury goods, with the avowed object of encouraging production and exports, discouraging waste, and maintaining the exchange market. A long list of prohibited articles was issued, including foreign wines and spirits, tobacco, sea food, cosmetics, clothes, toys, and tinned goods, but as these restrictions could only be imposed in the area under Chinese control and could not be enforced in the Japanese-occupied ports, they have made little difference to the import trade of Central and North China.

A further announcement was made by the Chinese Finance Minister on September 2 that the tariff on imports into "Free China" of articles not subject to the import restrictions would be reduced for the duration of the hostilities to one-third of the previous rates in order that imports essential to the livelihood of the Chinese people might be available at lower cost. Although an identical order was received by the Shanghai Commissioner of Customs, it was not enforced in any of the ports in Japanese occupation, and the reduction therefore applies only to goods entering ports under Chinese control.

A customs notification was made public on August 31 by the Superintendent of Customs at Shanghai to the effect that as from September 1 the payment of customs duties in gold unit notes would no longer be accepted, and all duties and fees were to be paid either in Hua Hsing notes (issued by the Hua Hsing Bank, the Sino-Japanese note-issuing bank sponsored by the Reformed Government of Nanking, which was inaugurated on May 1, 1939) or in Chinese national currency, but upon the basis of the Hua Hsing Bank's fictitious "pegged" rate on London of 6d. This meant that the customs gold unit would be retained as a basis of calculation but not as a means of payment, and, as the open market value of the Chinese dollar was then 4d., the new edict has the effect of increasing import duties by 50 per cent, since 150 Chinese dollars would be needed to purchase 100 Hua Hsing dollars. In this instance, the order is in force in

Japanese-occupied ports but not in the areas under the control of the Chinese Government.

CURRENCY AND EXCHANGE

It was announced on March 1 that, as from the 11th of that month, Chinese legal tender notes would be banned from circulation in North China, and a monopoly of note issue given to the Federal Reserve Bank (established under the Provisional Government of Peking), whose notes would be linked with yen at a $\frac{1}{2}$ d. exchange. The ban proved ineffective, however, and the Chinese National currency remained at a premium in North China for the greater part of the year despite the decline in its value in terms of foreign currencies.

An attempt to duplicate the operations of the Federal Reserve Bank in Shanghai was made at the beginning of May by the establishment of the Hua Hsing Bank, sponsored by the Reformed Government of Nanking. It was originally intended that its note issue should have the same exchange value as the Chinese National dollar but, with the rapid decline in the value of the latter, Hua Hsing currency was pegged at 6d. from July 17. However, except for payment of customs dues after it became obligatory to pay them in this currency, Hua Hsing notes were never accepted on the market and are not in general use.

ANGLO-CHINESE STABILIZATION FUND

On March 8 it was announced that the British Government had agreed to guarantee half of an Exchange Equalization Loan of £10 million (known as the Anglo-Chinese Stabilization Fund) which would be issued through the Hongkong and Shanghai Banking Corporation and the Chartered Bank of India, Australia and China, the other £5 million being advanced by Chinese Government banks, for the purpose of stabilizing the Chinese dollar at 8d. or $8\frac{1}{2}$ d. This loan was unfortunately not successful in achieving its object, and in June the inroads upon the Equalization Fund became so serious that the Control Banks were forced to withdraw support from the Chinese dollar, which was left to find its own level with the result that it dropped from U.S.\$0.16 $\frac{1}{2}$ to U.S.\$0.13 in two days. The Control Board of the Equalization Loan again intervened and gave some support to the market, with the result that the dollar remained more or less firm for five or six weeks, but it was finally necessary to withdraw all support, and the value of the Chinese dollar dropped rapidly to U.S.\$0.06.

For a while the exchange situation was chaotic, and there appeared at one time to be strong grounds for the fear freely expressed by the public that the Chinese dollar was about to go the way of the mark and rouble and become valueless. However, the market took a turn for the better at the end of August and, although the rate fluctuated within narrow limits for some time, it finally regained a level of 7 cents.

Following the outbreak of the European war on September 3, the financial restrictions imposed by Great Britain at home and in the colonies and the announced imposition of income tax in Hongkong drove huge amounts of funds into the Shanghai market. As these had to be converted in Shanghai from sterling or Hongkong dollars into local currency, the Chinese dollar rapidly appreciated to U.S.\$0.08, but at the close of the year it had fallen slightly and remained more or less stable around U.S.\$0.07 $\frac{1}{2}$. The heavy remittances from overseas Chinese continued unabated, and these helped to maintain the national dollar, as they are an important factor in the accumulation by the Chinese Government of monetary reserves abroad.

The outlook for the Chinese dollar remains obscure. On each rumour of Sino-Japanese peace talks it has shown some strength, only to lose it again when these rumours have proved false. There can be little doubt that if peace returns to China, particularly if this should happen before the cessation of the European war, the value of the Chinese dollar would rise in conformity with the amount of goods available for shipment. Until this occurs there can be little confidence in the currency owing to the dubious value of the reserves behind the note issue. On December 30, 1939, the Chungking Government announced that the note issue of the four Chinese Government banks totalled Chinese \$3,081,787,295, with a cash reserve of \$1,556,159,138 and securities valued at \$1,525,628,157. According to this statement, the total of the note issue represents an increase of \$454,857,395 as compared with the official figure as at June, 1939, and an increase of \$1,636,871,575 as compared with the position when hostilities opened with Japan in July, 1937. In the circumstances this cannot be said to represent an excessive degree of inflation. It must be borne in mind, however, that all the pertinent facts are not made public—the nature and condition of the securities held in reserve against the note issue, the short-term commitments of the Government, and what other outstanding obligations there may be.

There is also the fact that the Chungking Government is in no way subject to public control, and it would be possible to completely change the financial situation, especially the cash reserves, overnight by executive decree. As long as the export of valuable products from "Free China" is maintained at its present level, the Chinese dollar should not sink much below its current value of around U.S.\$0.07½, and if only the immense wealth of China, both as regards raw materials and labour resources, could be exploited fully, the dollar should easily regain its pre-war strength. Meanwhile there are so many contingencies, favourable and unfavourable to the Chinese dollar, which may arise that even financial experts who make a close study of China's currency hesitate to express any opinion as to its future trend.

INDUSTRY

Although industries in most of the war-ravaged areas of China have been seriously curtailed, either on account of warfare or through lack of trading and transport facilities, much industrial activity has been evident in the Shanghai district and in the western and southwestern provinces of "Free China," where the Chinese have been making strenuous efforts to establish industries which will not only fill military requirements but, by increasing exports and reducing imports, will help to bolster China's National currency by correcting the unfavourable trade balance and making more foreign exchange available. In July, 1936, a three-year plan was devised by the Chinese Government with the object of completing (with foreign financial and technical assistance) many major projects, such as the erection of steel and machine-works, development of mines, establishment of a plant to manufacture ammonium sulphate, the construction of a ferro-tungsten plant, and the institution of control over China's tungsten and antimony output and export. The Sino-Japanese hostilities started when the program was entering its second year, but, although it was seriously curtailed, it was not abandoned altogether. Many of the heavy installations and machines were carried hundreds of miles inland and re-erected in factories in Szechwan, Kweichow and Yunnan, in western and southwestern China.

Despite this tremendous setback, the National Resources Commission announced in June, 1939, that 45 units of twelve heavy industries were in

operation in "Free China," including four metallurgical, four electrical appliance, four chemical, five gold-mining, two copper-mining, two iron-mining, three tin-mining, one mercury-mining, eight coal-mining, two oil extraction, eight electric power and two water-power plants. In addition, more than 50 machine shops have been erected in those three provinces where, under the direction of experts from the National Bureau of Industrial Research, machines are being manufactured to meet the needs of other smaller industries.

NEW PLANTS ESTABLISHED

In the Shanghai area many Chinese capitalists and refugee workers have combined their efforts and resources to start afresh in a number of small industries, some of which were operating before the war and others which are a new development in China. In the latter category are included two plants already producing hydrochloric acid and Glauber's salts, while two others are under way. Plants for the manufacture of industrial alcohol, glycerine, red lead for paints and storage batteries, lead acetate and zinc sulphate are also in operation or about to be opened. There has also been a large increase in the number of factories making cosmetics, toilet preparations, pharmaceuticals and patent medicines.

Other articles being manufactured in Shanghai are surgical goods, glassware, thermos bottles, paper, flashlights, electric-light bulbs, electric fans, knitting wool, and radio parts. A new soft drinks factory and a new brewery, in addition to those already operating, were also established during 1939. The large textile mills which made Shanghai an important industrial centre in peacetime have been working at full capacity, and there has consequently been an unprecedentedly heavy importation of raw cotton from the United States and British India (to the great detriment of the Chinese dollar's stability).

INDICATIONS OF INCREASED INDUSTRIAL ACTIVITY

An indication of the growth of this industrial activity is apparent in the increased consumption of electricity supplied by the Shanghai Power Company, which at the end of the year approached a record figure despite the fact that Chinese factory owners still left unoccupied and unworked important plants in the industrial area. This is all the more remarkable in view of the heavy blows which local industries suffered towards the end of 1939. The military situation, the poor transportation facilities, the limitation of import of commodities into "Free China," monopolistic trade policies in other districts, and lack of purchasing power throughout the countryside have combined to deprive Shanghai of its normal market in the Yangtze Valley, and it has been necessary for local industries to find markets for their products overseas. Although a certain amount of their business is done with the United States, Canada, South Africa, Great Britain and other European countries, the greater part of their shipments were to India, the South Seas, and the Straits Settlements, so that the restrictions on imports into British Empire territories, arising from the European war, resulted in a severe setback. The uncertainty of securing shipping space and the difficulties in connection with obtaining raw material are also causing local industrialists much anxiety.

Although wages in many industries were substantially increased, there was a good deal of industrial unrest and many strikes during the year as a result of the unusually high cost of living in Shanghai and the growing inability of the average Chinese labourer to make ends meet on his meagre earnings.

OTHER FACTORS AFFECTING INDUSTRY

The influx of Jewish refugees from Europe provided a further complication in the economic life of Shanghai and one which may have far-reaching effects in the future. By the end of July it was estimated that there were 17,000 Jewish refugees in Shanghai, most of them without funds. While this figure may appear moderate in comparison with the numbers admitted into other countries, it assumes an alarming aspect when it is realized that Shanghai comprises only twelve square miles, already congested with Chinese war refugees, and is at present an oasis in a war-torn country where free movement is impossible. In addition, the low living standard of China's masses makes the employment of white unskilled labour impracticable, and there are no opportunities whatsoever for European agricultural workers. The problem became so alarming in August that joint action was taken by the Japanese, British and French authorities to restrict further immigration of this type. Many of the Jewish refugees have started small factories, financed by the Committee for the Assistance of European Jewish Refugees, and, aided by the cheap native labour available, are manufacturing articles such as raincoats, costume jewellery, baby-carriages, cosmetics, handbags, rubber-dipped goods, rubber balloons and balls, and elastic thread, which were formerly imported, to such an extent that they are not only able to take care of the domestic requirements but are turning their attention to export markets as well.

OUTLOOK FOR 1940

Even in normal times, China is noted for being a country where unexpected developments are likely to occur with lightning rapidity, and this is more than ever true at the present time. However carefully economic and political conditions are studied, an unexpected factor invariably arises to upset the conclusions reached, and, with war in Europe and consequent disruption in shipping facilities and supplies, it is more than ever difficult to forecast the future trend of trade in China. Throughout the year there have been frequent rumours of peace negotiations between China and Japan and, although nothing definite is yet in sight, there are evidences of a more conciliatory attitude on both sides. China reaped considerable benefit, as far as trade was concerned, from the Great War of 1914, and the same situation would doubtless result from the present European conflict if China were in a position to export freely her valuable metals and produce. However, the continued Sino-Japanese hostilities, which entail restrictions on the free movement of cargo to and from seaports, and are responsible for the closure of the Lower Yangtsze River, make it impossible for China to take advantage of the European situation, which, in fact, is an adverse factor rather than a favourable one in that it hampers the supply of raw materials and essential imports.

Until the cessation of the Sino-Japanese war it is obvious that no great improvement in trade with China can be expected, but at the same time it is felt in most quarters that the worst has been passed and that there will be a steady if slow return to normalcy. Justification for this optimism is found in the fact that the tonnage of vessels which cleared from Shanghai for foreign countries in 1939 was only 6 per cent lower than in 1936, the last normal year, which would appear to indicate that in due course Shanghai will have no difficulty in recovering its position as one of the first half-dozen ports in the world.

PERUVIAN FLOUR AND WHEAT MARKET IN 1939

M. J. VECHSLER, CANADIAN TRADE COMMISSIONER

(One kilo equals 2.2 pounds)

Lima, March 27, 1940.—Flour production continued to increase in Peru in 1939, amounting to 211,689,544 pounds as compared with 192,608,791 in 1938 and 180,907,348 in 1937. Bran production also rose from 61,581,800 pounds in 1938 to 68,194,600 in 1939. Bran production in 1937 amounted to 57,821,600 pounds. These returns are from the three large controlling mills that operate in the country.

During the year 139,379 metric tons of wheat, both domestic and imported, were milled. The imported wheat originated in the Argentine, c.i.f. prices of Argentine wheat having been consistently much lower than those of Canadian wheats throughout the entire year. The following table shows the quantities of various products extracted from wheat in the year and the percentage of each of the whole:—

	Pounds	Per Cent
Flour	211,689,544	69.86
Semolina	1,194,333	0.40
Bran	68,194,609	22.51
Grits	7,591,500	2.59
Chaff	913,247	0.30
Oats	490,400	0.16
Germs	206,224	0.07
Impurities and losses	12,719,400	4.20
Total	302,999,257	100.00

IMPORTS AND STOCKS OF WHEAT

The three principal mills had imported wheat stocks amounting to 22,323,993 gross kilos on hand as of December 31, 1938, and imported 117,653,297 gross kilos during 1939. Stocks on hand as of December 31, 1939, were 17,963,162 gross kilos. Stocks of domestic wheat on hand on December 31, 1938, were 6,041,878 gross kilos. Purchases during the year amounted to 17,048,353 gross kilos and stocks of domestic wheat on hand on December 31, 1939, amounted to 5,338,697 gross kilos.

A total of 139,379,676 gross kilos of wheat was ground during the year, of which 121,900,898 was from imported wheats and 17,478,778 from home-grown wheat.

MARKET CONDITIONS

It will be seen from the foregoing figures that a market amounting to some 117,653 metric tons of wheat exists in Peru; but it is essentially a price market. Argentine wheats have dominated the market during the last four or five years, Argentine exporters having supplied quotations on a c.i.f. Callao basis that exporters of Canadian wheats could not meet. Bahia Blanca is the principal type purchased from the Argentine and appears to meet the requirements of the market. All principal millers state that they would prefer to use Canadian wheats, if and when c.i.f. Callao prices were competitive or even nearly competitive with Argentine quotations. Wheat must be bagged for delivery at Callao.

There is no market for Canadian flour on the West Coast, of Peru, which is the chief consuming area. Legislation requires the mixing in bond of all imported flour with a certain percentage of domestic flour; but no facilities exist for such mixing in bond. As a result, the domestic producers have the entire market to themselves.

WHEAT AND WHEAT FLOUR SITUATION IN JAPAN, 1939

C. M. CROFT, COMMERCIAL SECRETARY

Tokyo, March 14, 1940.—Notwithstanding the fact that Japan had a very large crop of wheat in 1939, prices continued to rise throughout most of the year. In anticipation of rising prices the producers were inclined to withhold their supplies from the market, and this, coupled with the rigid control which was exercised over the importation of wheat, caused the increase in prices, particularly during the latter part of 1939. The average price of wheat was approximately 20 per cent above that for 1938. The shortage of supplies and the higher cost of production naturally affected Japan's shipments of wheat flour, the quantity exported showing a decrease of about 25 per cent.

In order to adjust the relation between the supply of and demand for wheat and wheat flour, a Departmental Ordinance was issued on November 30, effective December 5, 1939, by which the export of these commodities was prohibited except under permit. The purpose of this Ordinance was to control the export of wheat flour to the yen-bloc markets—Manchuria, Kwantung Province, and China. It has been reported here that arrangements have been made for the purchase of some 200,000 tons of wheat from Australia, under special terms, in order to relieve the shortage of supply in Japan and to effect some improvement in the export trade during 1940.

PRICE MOVEMENT

According to an index prepared by the Bank of Japan covering monthly wholesale prices in Tokyo, the price of domestic wheat showed a considerable advance towards the end of 1939 and reached the highest level for some years past. On the basis October, 1900, equals 100, the index number for January, 1939, was 351; this rose to 368 for February and March; 372 for April and 376 for May. There was a drop in price in June, when the index number stood at 350, and there was a further decline to 333 in July. The price rose steadily until November, the number for August being 363; for September, 376; for October, 380; and for November, 381. The index number for December was also 381, while the average for the year was 366. A comparison with the corresponding index numbers for 1938 shows that the 1939 price level was somewhat higher than that for 1938, when the general average of the index numbers was 300. The index number for December, 1939, was 15.1 per cent higher than that for December, 1938.

A similar index compiled by the Bank of Japan covering the average monthly wholesale prices for imported wheat showed that, although there had been an increase during 1939, the average index number (on the basis 1933 equals 100) for the year was 112 as against 134 for 1938, a decrease of 16.4 per cent. The index number for imported wheat for January, 1939, was 105; it fluctuated somewhat and dropped to 100 in August and then increased steadily until the end of the year, when it stood at 139 as compared with 103 for December, 1938.

The actual quotations for domestic wheat during 1939 ran between a low of 11.40 yen per 100 kin (132 pounds) for July and a high of 13.50 yen per 100 kin for December. These quotations compare with a low of 9.90 yen for April, 1938, and a high of 11.60 yen per 100 kin for December, 1938. The only foreign wheat for which 1939 quotations are available is Canadian No. 3 Northern, the lowest quotation for which was 5.13 yen per 100 kin in August and the highest 10.12 yen in December as compared with a low of 5.25 yen in September, 1938, and a high of 11.99 in January of that year. There were no sharp fluctuations in the 1939 quotations for the Canadian product until the latter part of the year. The highest quotation, 6.04 yen in August,

increased to 7.64 yen in September, then decreased to 6.89 yen in November and rose sharply to 10.12 yen in December. Prices of Canadian wheat were, therefore, considerably below those for domestic wheat and, had it not been for the stringent control measures in force, some substantial trade would probably have resulted.

On the basis of the import statistics, which are given in a succeeding paragraph, the average cost of imported wheat in 1939 was 3.45 yen per bushel as against 3.93 yen for 1938. A further analysis of the import statistics shows that the average cost of wheat imported from China in 1939 was 4.23 yen per bushel as against 3.74 yen in 1938; the average price of Australian wheat was 2.50 yen per bushel as compared with 3.57 yen, while that from Iraq (on the basis of the imports during the first nine months of 1939) was 5.23 yen per bushel as against 3.53 yen. It may be noted that the trade with Iraq is on a barter basis, which accounts for purchases from that country even at higher cost.

PRICES OF WHEAT FLOUR

The increased prices of wheat were naturally followed by higher quotations for wheat flour. According to the Bank of Japan, the index number covering the average wholesale price of flour in Tokyo in December, 1939, was 341, which was the highest for the year on the basis October, 1900, equals 100. The year opened with the index number for January at 312; this rose to 318 for the next five months, fell to 316 in July, rose to 320 in August and then to 341 in September at which level it has remained. The general average for the year was 325 as compared with 302 for 1938. The index number for 1938 varied between a low of 293 in April and a high of 310 in February.

Quotations for spot sales of "Crane" brand (the standard grade of the Nisshin Flour Milling Company) in 49-pound sacks stood at 4.97 yen at the beginning of the year, rising to 4.98 yen in April and 5.54 yen in August; the price fell to 5.52 yen in November. The highest quotation in 1938 for this brand was 5.05 yen, while the lowest was 4.75 yen. The price of "Bamboo" brand, the standard grade of the Nippon Flour Milling Company was 5.25 yen during the first seven months of 1939, rising to 5.54 yen, at which level it remained during the last five months of the year; the highest price in 1938 for this brand per sack of 49 pounds was 5.10 yen and the lowest was 4.77 yen.

With respect to the prices of wheat flour for export, the statistics covering shipments to other countries show that the average price was 5.82 yen per sack as against an average of 4.72 yen per sack during 1938. The average value of shipments to Kwantung Province in 1939 was 5.84 yen as compared with 4.83 yen in the previous year; shipments to Manchuria averaged 5.91 yen per sack as against 4.86 yen; for China the average was 5.45 yen as compared with 4.54 yen; exports to Philippine Islands averaged 5.16 yen per sack as against 4.37 yen in 1938.

IMPORTS OF WHEAT

Imports of wheat into Japan during 1939 showed a decrease of 51.2 per cent in quantity and 57.2 per cent in value as compared with 1938. The following table shows the imports during each of the two years:—

	1939		1938	
	Bushels	1,000 Yen	Bushels	1,000 Yen
China	615,069	2,601	118,063	442
Iraq	478,234	1,255	414,940	1,423
Australia	91,850	229	1,144,614	4,075
Manchuria	660	2	655,978	3,191
Argentina . . . . .	.....	....	95,990	424
Others	242	2	130	2
Total	1,186,055	4,089	2,429,715	9,557

Imports from Australia fell 91·8 per cent in volume and 94·2 per cent in value, while no imports from Argentina were recorded for 1939. The reduction in purchases from Manchuria were due to the export control over wheat exercised by the authorities there. Purchases from China increased by about 421 per cent in quantity and 488 per cent in value. The trade with Canada was negligible. It is not possible at this stage to enumerate the countries of origin under the heading "others"; however, most of the imports came from Iraq, a statement which is confirmed by the statistics covering the first nine months of 1939 which show imports from that country for the nine months ended September 30, 1939, as 213,477 bushels valued at 616,000 yen as compared with 269,040 bushels to the value of 949,000 yen during the corresponding period of 1938. Imports from Manchuria during the first nine months of 1939 amounted to only 660 bushels valued at 2,000 yen as against 655,978 bushels worth 3,191,000 yen for the similar period in the preceding year.

EXPORTS OF WHEAT FLOUR

Japan's exports of wheat flour are confined almost wholly to the yen bloc, namely Kwantung Province, Manchuria, and China. Total exports declined by some 27·5 per cent in quantity and 10·7 per cent in value as compared with those in 1938. The following table shows exports during 1939 with comparative figures for 1938:—

	1939		1938	
	Sacks	Yen	Sacks	Yen
Kwantung Province	4,196,966	24,509,792	4,533,786	21,901,303
Manchuria	3,943,309	23,293,331	3,236,212	15,747,736
China	1,178,847	6,423,928	5,078,082	23,062,652
Philippine Islands	103	532	189	827
Dutch East Indies . . . . .	.....	15	642	2,554
Other countries . . . . .	.....	.....	35	113
Total	9,319,225	54,227,598	12,848,946	60,715,185

It will be noted that the only increase was in exports to Manchuria, which showed an expansion of 21·8 per cent in volume and 47·9 per cent in value. Exports to China fell by 76·8 per cent in quantity and 72·1 per cent in value, while shipments to the Philippine Islands decreased by 45·5 per cent in volume and 50·5 per cent in value. Although the quantity of flour exported to Kwantung Province dropped by 7·4 per cent, the value expanded by 11·9 per cent.

PRODUCTION AND IMPORTS OF WHEAT FLOUR

According to a survey conducted by the Department of Commerce and Industry, the output of wheat flour by the principal flour-milling companies in Japan during 1939 amounted to 41,889,000 sacks of 49 pounds each as against 41,971,000 sacks for the previous year, a decrease of 82,000 sacks, or 0·2 per cent.

Imports of wheat flour for the twelve months ended December 31, 1939, totalled 122,353 sacks valued at 431,976 yen as against 18,805 sacks to the value of 103,354 yen for 1938. Although the volume of the imports increased more than five-fold and the value expanded three-fold, the level was well below normal. Canadian flour is used in the production of a flavouring essence manufactured for the export trade.

Imports of wheat flour into Japan in 1938 and 1939 by countries of origin were as follows:—

	1939		1938	
	Sacks	1,000 Yen	Sacks	1,000 Yen
Canada	121,940	430	273	1
United States	57	...	1,183	5
Manchuria . . . . .	.....	...	16,759	92
Other countries	356	1	590	5
Total	122,353	431	18,805	103

OUTLOOK FOR 1940

Reference has been made above to the reported arrangement which has been made to import some 200,000 tons of wheat from Australia; it is understood that some 30,000 to 40,000 tons will be imported each month and this should relieve the situation in Japan, particularly as regards re-exports. As against this there is some doubt as to the prospects for the 1940 crop of locally grown wheat; there has been practically no rain since the latter part of 1939, which will undoubtedly affect the wheat yield. The local authorities are of the opinion, however that the crop will not be affected, as larger areas are to be sown in wheat. Thus it is difficult to offer any definite opinion as to the 1940 situation.

PRICE REGULATION

In order to prevent any rise in the prices of wheat the Ministry of Agriculture and Forestry, in conjunction with the Ministry of Commerce and Industry, issued a joint departmental memorandum, effective January 31, 1940, fixing the maximum prices for various grades of wheat. These fixed prices vary for different grades in the various prefectures of Japan Proper. The price of first-grade wheat is fixed at 12·92 yen per 100 kin (132 pounds) for the majority of the prefectures and at 13·05 yen for the remaining nine. Second grade wheat will sell for not more than 12·79 yen, while the maximum price of third-grade is 12·54 yen for all prefectures. Fourth-grade wheat is to sell at 12·23 yen in all but one prefecture, where the maximum price is 12·29 yen. The price of ungraded wheat is not to exceed 11·52 yen in one prefecture, nor more than 11·78 yen in fourteen prefectures, 11·84 yen in nine, and 11·90 yen in the other twenty-two. These prices are f.o.r. point of production and are not applicable to wheat for seeding purposes.

The authorities, at the same time, fixed maximum selling prices for various kinds of wheat flour produced by different mills. The prices which have been fixed are ex-warehouse, wholesale and retail. The ex-warehouse price for all brands of "Strong No. 1" flour must not exceed 7.46 yen per sack of 49 pounds; the wholesale price is fixed at 7.61 yen, and the retail price at 7.69 yen per sack. There is some variation permitted in the other grades of flour; for example the maximum ex-warehouse price for "Strong No. 2" varies between 6.56 yen and 7.27 yen per sack, "medium" grades sell ex warehouse at between 5.93 yen and 6.46 yen, and "standard" grades at from 5.23 yen to 5.43 yen.

DOMESTIC CONSUMPTION OF FLOUR

The home consumption of wheat flour during 1939 was estimated to be nearly 30,000,000 sacks as compared with some 26,736,000 sacks in 1938. This increase in domestic consumption is believed to be due to a policy of reducing the use of rice for purposes which are considered to be unnecessary.

The following table sets forth the output and consumption of wheat flour in 1938 and 1939:—

	1939	1938
	In 1,000 Sacks	
Output	41,889	41,971
Exports—		
External	9,317	12,849
Internal*	2,597	2,386
Home consumption	29,973	26,736

* Internal exports cover shipments to other parts of the Japanese Empire, namely 1,290,000 sacks to Chosen and 1,307,000 sacks to Taiwan in 1939.

The fixing of maximum prices of wheat and wheat flour may affect the local situation and encourage the export of wheat flour, to which the maximum prices do not apply. The prices of home-grown wheat have increased, and

consequently the cost of production of wheat flour has risen. Thus it may be more profitable for the miller to seek larger export fields. The average price for home-grown wheat in 1939 was 12·54 yen per 100 kin (132 pounds) as compared with 10·21 yen in 1938. The cost of production of wheat flour (according to the *Oriental Economist*) was 6·07 yen per 49-pound sack in 1939 as against 4·91 yen in 1938. The average price for wheat flour in 1939 was 5·16 yen per sack as compared with 4·93 yen in 1938. Thus in 1939 there was an average loss of 0·91 yen per sack, whereas in 1938 a slight average profit of 0·02 yen was shown.

PRODUCTION CAPACITY

The present milling capacity of the fifteen flour-milling companies which have recently been organized into the Japan Flour Millers' Association is approximately 60,080 barrels per day. Two companies, the Nisshin Flour Milling Company with a capacity of 22,550 barrels and the Nippon Flour Milling Company with a capacity of 18,900 barrels per day, are by far the largest manufacturers. On the basis of 25 days operation per month or 300 days per year, the annual capacity of all the mills would be about 72,000,000 sacks, whereas the output during recent years has been approximately 42,000,000 sacks, or about 60 per cent of normal capacity.

The *Oriental Economist* recently published a statement respecting the export power and the requirements of the countries within the yen bloc for 1940. It is estimated that Japan can supply 15,000,000 sacks for export, while Korea can supply about 1,375,000 sacks, a total of 16,375,000 sacks. As against this there will be an estimated shortage in Manchuria of 15,000,000 sacks, a shortage in North China of 6,500,000 sacks, and a further shortage in Kwantung Province of 3,000,000 sacks, or a total shortage of some 24,500,000 sacks. Therefore the shortage within the yen bloc during 1940 may be in the vicinity of 8,125,000 sacks of flour. This shortage must be made up by imports of wheat for milling purposes, and it is expected that the reported imports from Australia will largely offset this shortage.

Canada has not had an appreciable share of the recent restricted imports. Price is an important factor in the import trade in wheat, and Canadian prices have been higher than those quoted by other countries. The prospects for the future depend very largely on Canadian exporters being able to offer competitive quotations and to comply with other requirements of the local market.

TARIFF CHANGES AND TRADE REGULATIONS

United Kingdom

WHEAT QUOTA PAYMENTS SUSPENDED

With reference to the notice in *Commercial Intelligence Journal* No. 1864 (October 21, 1939), page 752, respecting a reduction to 16·8 pence per hundred-weight (formerly 21·6 pence) in the quota payment to be made to the Wheat Commission in respect of wheat flour imported into or milled in the United Kingdom, Mr. Frederic Hudd, Chief Canadian Trade Commissioner in London, in a cablegram of May 7 advises that the United Kingdom Customs announce the suspension of quota payments on imported flour, effective May 5.

Ireland

FREE ENTRY OF APPLES

With reference to the notice in *Commercial Intelligence Journal* No. 1836 (April 8, 1939), page 519, regarding duty-free entry into Ireland of apples

under licence from April 1, 1939, to July 15, 1939, inclusive, the Minister of Agriculture for Ireland has announced that licences will be issued to permit the importation, without limitation as to quantity, of raw apples, irrespective of the country of origin, free of the customs duty of 1 penny per pound for the period April 15, 1940, to July 15, 1940. Applications for such licences should be addressed to the Revenue Commissioners, Dublin.

IMPORTATION OF TIMBER

Mr. James Cormack, Canadian Trade Commissioner in Dublin, advises that the Minister for Supplies has made an Order, dated April 15, 1940, permitting the importation by any person into Eire without licence of single consignments of timber to a value not exceeding £10.

The new order modifies the original (Importation of Timber) Order, 1939, whereby the importation of timber into Eire was prohibited except under licence, which licence was only granted by the Government to special organizations established for that purpose.

The reason for this new Order is to facilitate importation by the individual citizen, should he require a small supply of timber for his own personal use. Timber importing firms still have to secure their supplies through licensed importing organizations.

Australia

SPECIAL WAR DUTY ON IMPORTS

Mr. L. M. Cosgrave, Canadian Trade Commissioner at Sydney, cabled that, effective May 3, all goods entering Australia for home consumption became subject to a special war duty of 10 per cent of the amount of customs duty plus primage duty, with the exception of item 229C (petroleum and shale products).

MOTOR VEHICLE LICENCE QUOTAS

With reference to the article appearing in *Commercial Intelligence Journal* No. 1890 (April 20, 1940), page 603, on Australian motor vehicle chassis import restrictions, the Canadian Trade Commissioner in Sydney cabled on May 3 an announcement that motor vehicle chassis are now on the basis of a North American quota, permitting shipment from Canada or the United States at the importer's discretion. The regulation now announced means that importations from Canada and the United States during the base year will be treated as one for quota purposes and the whole or any part of the total amount admissible may be taken from either country.

IMPORT LICENSING SYSTEM

SOME GOODS FROM STERLING COUNTRIES PLACED UNDER LICENCE

On the inauguration of the import licensing system on December 1, 1939, all imports into Australia (with minor exceptions) from non-sterling countries were made subject to licence, but no licences were required for importations from countries whose currencies are on a sterling base.

A despatch from Canberra states that the import licensing regulations were extended, as from May 1, 1940, to apply to the following goods imported from any country, viz.:

Bags, sacks, packs, bales and mats of hessian or jute ordinarily classified under tariff items 133(B), 134(A) and 134(B); hessian and other jute piece-goods ordinarily classified

under tariff item 129(A); jute canvas ordinarily classified under tariff item 130; any metal-working machine tool the c.i.f. and e. cost of which (exclusive of extraneous appliances) exceeds in value £150 (Australian currency); petroleum products viz. petrol, kerosene, turpentine substitutes, solar oil, crude petroleum, diesel oil, residual oil, fuel oil, mineral lubricating oil, used mineral lubricating oil, tetraethyl lead and solutions thereof.

The object of this extension of the licensing regulation is stated to be to secure a proper control over the commodities named. Import licences are not issuable until the applicant obtains a supply certificate from the Commonwealth Department of Supply certifying that he has satisfied the conditions required by that Department.

TIME FOR ARRIVAL OF "D" CATEGORY GOODS EXTENDED

In articles appearing in *Commercial Intelligence Journal* No. 1875 (January 6, 1940), page 35, and subsequent issues, it was stated that the last date for entry into Australia of category D (prohibited) goods on order prior to November 1, 1939, would be March 31, 1940, and that other D category goods on order prior to December 1, 1939, would be admitted up to April 30, 1940.

A cablegram from the Canadian Trade Commissioner in Sydney on May 3 announced that these final dates of entry had been changed to April 30 and May 31, respectively, thereby lengthening the period in each case by one month. It is provided that entries must be debited against the importer's quota of goods admissible under categories A, B, or C; otherwise permission to admit the goods would be subject to decision of the Department of Customs.

This extension of time is expected to facilitate the entry of some goods that have been delayed in shipment.

TARIFF AMENDMENTS

Mr. A. Short, Assistant Australian Customs Representative in New York, advises that an amendment to the Australian customs tariff, effective May 3, 1940, increases rates of duty under all tariffs by 3 pence per gallon as regards the following items:—

229B4b, crude petroleum having a recoverable petrol content exceeding 70 per cent; 229B5, once-run distillate from crude petroleum not elsewhere included in the tariff; 229C, naphtha, benzine, benzoline, gasoline, pentane, petrol, and any other petroleum or shale spirit; 229D2, turpentine substitutes not elsewhere included in the tariff; 266A, benzol; 266B, naphtha.

Corresponding increases were made in the excise duties on the same commodities.

Newfoundland

UNIT OF WEIGHT FOR IMPORTED SEED POTATOES

Regulations were published in the *Newfoundland Gazette* of April 22 permitting duly certified imported seed potatoes to be sold for seed purposes in sacks containing a net weight other than 90 pounds during the period April 20, 1940, to June 30, 1940. Such sacks must conform with the requirements prescribed by the regulations of the country of origin of the potatoes and have the weight of the potatoes in each sack clearly marked thereon. Under Section 3 of the Newfoundland Vegetable Grading Act of 1935 potatoes can be imported into Newfoundland and sold only in 90-pound sacks, but Section 10 of the Act enables the Commissioner for National Resources to vary the weight for sacks in the case of seed potatoes.

Turkey

CHANGED TREATMENT OF IMPORTS FROM CANADA

Mr. Henri Turcot, Canadian Trade Commissioner at Cairo, writes under date April 6 that the regulations governing commercial transactions with countries having no commercial or payments agreement with Turkey, including Canada, have been altered by Decree No. 2/12669, which appeared in the *Turkish Official Gazette* of January 25, on the basis of instructions to be drawn up by the Ministry of Commerce. These instructions were published in the *Turkish Official Gazette* of March 7, giving effect to the decree as from the latter date.

EFFECT OF NEW REGULATIONS

By virtue of Decree No. 2/12669 and of the instructions referred to, all commercial transactions with countries having no commercial or payments agreement with Turkey are handled by Takas Ltd. (a company established by decree on August 5, 1939, for the purpose of regulating, in accordance with the necessities of internal and external business conditions, the premiums arising from compensation operations with various countries). All goods from this group of countries are permitted entry into Turkey, subject only to other restrictions in Turkish law and any general or particular prohibitions which may be in operation or decreed. Imports may be effected against the previous export of Turkish produce on a one to one compensation basis, the c.i.f. value of the goods imported to be equal to the f.o.b. value of the Turkish goods exported. Compensation transactions initiated prior to March 7 are governed by the regulations in force at the time and have to be carried through within one year from March 7.

Admittedly the new regulations represent for Canadian trade a distinct improvement. The restrictions imposed previously in Turkey on imports from the Dominion amounted to a virtual prohibition, whereas all Canadian goods, broadly speaking, may now be exported to that country. However, on account of the compensation premium, it remains to be seen how the new regulations will work out in practice, at least until such time as the premium has become uniform.

COMPENSATION PREMIUMS

The private compensation system in Turkey extends to most countries, with the exception of the small number with which clearing accounts are still maintained. All private compensation transactions are subject to a premium, the premium ranging at present from 25 to 80 per cent.

The United States, which was in the privileged position of being granted free exchange without premium until recently, is now subject to the private compensation system; but it is reported that the premium involved on exchange designed for payment of United States goods amounts to only 25 per cent.

In the case of Canada, the premium was in the neighbourhood of 70 per cent under the interchangeable compensation system, the system under which Canadian goods were admitted into Turkey prior to the coming into force of the new regulations dealt with in this report. It is not known at the time of writing what the premium will be under the new system (private compensation transactions). In any event, according to a statement made recently by the Turkish Minister of Commerce, it is anticipated that the compensation premiums will be rendered uniform in the course of the present year, suggesting that the same premium will be applied to all countries.

CARRYING-OUT OF TRANSACTIONS

The first document to be obtained by an importer of Canadian goods is an export certificate covering goods sold to the Dominion, which import

certificate gives him the right to import goods from Canada. Import permits are issued by Takas Ltd. on the basis of this export certificate and of the following: customs declaration, invoice, bill of lading, certificate of origin, and any other documents which may be demanded. As soon as the import permit has been issued, the customs authorities are notified, and the importer may proceed to clear the merchandise. At this point, the importer may present his request for exchange. Certain delays will occur should the balance of trade between Turkey and Canada on a compensation basis be unfavourable to the former, but under the present laws in Turkey these may not exceed one year, i.e. the Turkish importer is bound to make the corresponding export which produces the foreign exchange to pay for the imports within twelve months. The balance of trade between Turkey and Canada being now in favour of the former, no undue delay should be experienced in payments for Canadian goods.

Except for the United Kingdom, there is no possibility of opening letters of credit, since foreign exchange is made available only after the goods have been cleared through the customs and other formalities have been carried out. Only exceptionally is foreign exchange advanced for the opening of a letter of credit when other countries are involved. The facility extended to the United Kingdom is due to the fact that the Exchange Office (Takas Ltd.) has large sums in sterling resulting from Turkish exports already available in London.

Canadian goods may be paid for in the currency stipulated in the contract of sale.

ADVICE TO CANADIAN EXPORTERS

Canadian exporters should make certain before shipment that the necessary export certificate has been obtained, and they should make it a point to send the shipping documents promptly to the purchaser. The certificate of origin should be made out in duplicate by the shipping merchant or company, and should contain the usual information. Both copies should be certified by a chamber of commerce (or board of trade), and the metric system should be used in showing weights or measures.

EXCHANGE CONDITIONS IN FOREIGN COUNTRIES

Brazil

L. S. GLASS, CANADIAN TRADE COMMISSIONER

Rio de Janeiro, April 6, 1940.—Exchange regulations in Brazil continue unchanged. Payment for imported goods takes place immediately after such goods have been cleared through the Brazilian customs and all documents have been found in order and approved by the Exchange Control Board. Exchange in advance is still obtainable in case of extraordinary need, especially where the goods entering into the transaction may be of particular importance to Brazil.

There are no indications of any exchange shortage at the present time, although it is possible that exchange will not be quite so plentiful in the future as it has been over the last few months. However, should the supply diminish, it will probably have no effect on the commercial market, that is, for the payment of imported goods, since the Bank of Brazil during the last quarter has made available a certain amount of foreign exchange for the account of interests and dividends.

The suggestion that a reduction in the available exchange may take place is based on two facts: first, there was an adverse balance of trade of slightly over \$1,300,000 in January, and second, having now undertaken to re-establish the service for the payment of foreign debts, Brazil will require a greater amount of foreign exchange for official purposes.

FOREIGN EXCHANGE QUOTATIONS: WEEK ENDING MAY 4, 1940

The Foreign Exchange Division of the Bank of Canada has furnished the following statement of the nominal closing quotations for the principal exchanges for the week ending Monday, May 4, 1940, and for the week ending Monday, April 29, 1940, with the official bank rate:—

Country	Unit	Present or Former Gold Parity	Nominal Quotations in Montreal Week ending April 29	Nominal Quotations in Montreal Week ending May 4	Official Bank Rate
Belgium	Belga	.1001	\$.1874	\$.1859	2
Bulgaria	Lev	.0072	.....	.....	6
Finland	Markka	.0252	.0196	.0200	4
France	Franc	.0392	.0221	.0216	2
Great Britain	Pound	4.8666			
	Buying		4.4300	4.4300	2
	Selling		4.4700	4.4700	—
Greece	Drachma	.0130	.0073	.0072	6
Holland	Guilder	.4020	.5894	.5892	3
Hungary	Pengo	.1749	.3227	.3227	4
	Unofficial		.1951	.1951	—
Italy	Lira	.0526	.0560	.0559	4½
Yugoslavia	Dinar	.0176	.0250	.0250	5
Portugal	Escudo	.0442	.0375	.0373	4-4½
Roumania	Leu	.0060	.....	.....	3½
Spain	Peseta	.1930	.1013	.1013	4
Sweden	Krona	.2680	.2623	.2643	3
Switzerland	Franc	.1930	.2489	.2489	1½
United States	Dollar	1.0000			
	Buying		1.1000	1.1000	1
	Selling		1.1100	1.1100	—
Mexico	Peso	.4985	.1849	.1849	3
Cuba	Peso	1.0000	.....	.....	—
Guadeloupe	Franc	.0392	.0221	.0216	—
Jamaica	Pound	4.8666	4.4800	4.4800	—
Martinique	Franc	.0392	.0221	.0216	—
Other British West Indies	Dollar	1.0138	.9313	.9313	—
Argentina	Peso (Paper)	.4245	.3304	.3304	3½
	Free		.2553	.2531	—
Brazil	Milreis (Paper)	.1196	.0673	.0673	—
	Free		.0558	.0558	—
British Guiana	Dollar	1.0138	.9313	.9313	—
Chile	Peso	.1217	.0574	.0574	3-4½
	Export		.0444	.0444	—
Colombia	Peso	.9733	.6326	.6326	4
Peru	Sol	.2800	.....	.....	6
Venezuela	Bolivar	.1930	.....	.....	—
Uruguay	Peso	1.0342			
	Controlled		.7307	.7307	—
	Uncontrolled		.4323	.4323	—
South Africa	Pound	4.8666	4.4600	4.4600	3½
Egypt	Pound (100 Piastres)	4.9431	4.5800	4.5800	—
China (Shanghai)	Dollar	.....	.0666	.0515	—
Hongkong	Dollar	.....	.2420	.2374	—
India	Rupce	.3650	.3359	.3359	3
Japan	Yen	.4985	.2602	.2602	3.29
Java	Guilder	.4020	.....	.....	—
Thailand (Siam)	Baht (Tical)	.4424	.....	.....	—
Straits Settlements	Dollar	.5678	.5256	.5256	—
Australia	Pound	4.8666	3.5800	3.5800	3
New Zealand	Pound	4.8666	3.5900	3.5900	4

The Dominion Bureau of Statistics has supplied the following note:—

There was no change in official buying and selling rates set by the Canadian Foreign Exchange Control Board for sterling and United States funds during the week ended May 6. These remained at \$4.43-\$4.47 and \$1.10-\$1.11, respectively. At New York, sterling free market rates dropped sharply on the closing day to a seven-year low of \$3.41. This was 12 cents below the final rate for the previous week. During the same interval the Canadian dollar rate at New York moved down from 85½ cents to 83¼ cents. French franc rates at Montreal were off 4 points at 2.17 cents as the week ended, while European neutral units also indicated net losses. Belgian belgas closed the week at 18.59 cents as against 18.74 cents on April 29, while the Netherlands florin closed 2 points lower at 58.92 cents. The Argentine peso (free rate) was off 22 points to 25.31 cents in the same interval.

TRADE OPPORTUNITIES ABROAD FOR CANADIAN PRODUCTS

The Trade Inquiries for Canadian products published below have been received since the publication of the last issue of the *Commercial Intelligence Journal*. Interested exporters may secure the names and addresses of the firms making these inquiries, together with further details regarding the commodities required, on application to the Director, Commercial Intelligence Branch, Department of Trade and Commerce, Ottawa, or—

Secretary, Board of Trade—

Saint John, N.B.	Guelph, Ont.	Portage la Prairie, Man.
Halifax, N.S.	Kitchener, Ont.	St. Boniface, Man.
Quebec, P.Q.	Brantford, Ont.	Winnipeg, Man.
Montreal, P.Q.	Stratford, Ont.	Vancouver, B.C.
Toronto, Ont.	Woodstock, Ont.	New Westminster, B.C.
Chatham, Ont.	St. Mary's, Ont.	

Secretary, Chamber of Commerce—

Sherbrooke, P.Q.	Peterborough, Ont.	Victoria, B.C.
Kingston, Ont.	London, Ont.	Prince Rupert, B.C.
Oshawa, Ont.	St. Catharines, Ont.	
Belleville, Ont.	Hamilton, Ont.	

Windsor Chamber of Commerce, Windsor, Ont.

Commercial Intelligence Service, Department of Municipal Affairs, Trade and Commerce, Quebec.

Department of Industry, Brantford, Ont.

Industrial Commissioner, Stratford, Ont.

La Chambre de Commerce de Montréal, 25 St. James E., Montreal, P.Q.

Secretary, Canadian Manufacturers Association—

Toronto, Ont.	Winnipeg, Man.	Vancouver, B.C.
Montreal, P.Q.	Edmonton, Alta.	Victoria, B.C.

Director, Bureau of Industrial and Trade Extension, Department of Trade and Industry, Victoria, B.C.

Commodity	No.	Location of Inquirer	Purchase or Agency
Miscellaneous—			
Hosiery, Cotton (Children's)....	346	Panama City, Panama....	Agency.
Shirts, Men's.....	347	Leicester, England.....	Agency.
Paper, Pure Vegetable Parchment.....	348	Tientsin, China.....	Agency.
Glue for Carpentry.....	349	Tel-Aviv, Palestine.....	Agency.
Sulphate of Ammonia.....	350	Panama City, Panama....	Purchase.
Pharmaceutical Products (Particularly Insulin and Vitamin Products).....	351	Alexandria, Egypt.....	Purchase and Agency.
Surgical Instruments.....	352	Cairo, Egypt.....	Purchase and Agency.
Rubber Gloves.....	353	Cairo, Egypt.....	Purchase and Agency.
Canvas Shoes (Rubber-soled)....	354	Lima, Peru.....	Agency.
Shoe Linings, Imitation Leather.	355	Leicester, England.....	Purchase and Agency.
Bicycle Tires and Tubes.....	356	Nicosia, Cyprus.....	Purchase and Agency.
Automobile Tires and Tubes....	357	Tel-Aviv, Palestine.....	Purchase.
Automobile Parts and Accessories	358	Dublin, Ireland.....	Purchase and Agency.
Automobile Batteries, Spare Parts and Accessories, and Garage Equipment.....	359-361	Cairo, Egypt.....	Purchase and Agency.
Hooks, Buckles, etc., for Saddlery Trade.....	362	Medellin, Colombia.....	Agency.
Electrical Articles.....	363	Tel-Aviv, Palestine.....	Agency.
Enamelled Ironware for Hospitals.....	364	Leicester, England.....	Purchase and Agency.
Iron and Steel Products.....	365	Tel-Aviv, Palestine.....	Agency.
Plywood.....	366	Boyne Mills, Navan, Ireland.....	Purchase.
Plywood Chair Seats.....	367	Boyne Mills, Navan, Ireland.....	Purchase.

COMMERCIAL INTELLIGENCE SERVICE

L. D. WILGESS, *Director*

Argentina

J. A. STRONG, B. Mitre 430, Buenos Aires (1). (Territory includes Uruguay.) *Cable address, Canadian.*

Australia

Sydney: L. M. COSGRAVE. Address for letters—P.O. Box No. 3952V. Office—City Mutual Life Building, Hunter and Bligh Streets. (Territory includes the Australian Capital Territory, New South Wales, Queensland, Northern Territory and Dependencies.) *Cable address, Canadian.*

Melbourne: FREDERICK PALMER, 83 William Street, Melbourne, C.I. (Territory includes States of Victoria, South Australia, Western Australia, and Tasmania.) *Cable address, Canadian.*

Belgium and Luxemburg

YVES LAMONTAGNE, Commercial Attaché, Shell Building, 60 rue Ravenstein, Brussels. *Cable address, Canadian.*

Brazil

L. S. GLASS. Address for letters—Caixa Postal 2164, Rio de Janeiro. Office—Ed. Da. "A. Noite," Sala 802, Praca Maua. *Cable address, Canadian.*

British India

PAUL SYKES. Address for letters—P.O. Box 886, Bombay. Office—Gresham Assurance House, Mint Road, Bombay. (Territory includes Burma and Ceylon.) *Cable address, Canadian.*

British Malaya

J. L. MUTTER, Union Building, Singapore, Straits Settlements. (Territory includes the Straits Settlements, the Federated Malay States, the Unfederated Malay States, Thailand, British Borneo, and Netherlands India.) *Cable address, Canadian.*

British West Indies

Trinidad: M. B. PALMER. Address for letters—P.O. Box 125, Port of Spain. Office—Barclay's Bank Building. (Territory includes Barbados, Windward and Leeward Islands, and British Guiana.) *Cable address, Canadian.*

Jamaica: F. W. FRASER, P.O. Box 225, Kingston. Office—Canadian Bank of Commerce Chambers. (Territory includes the Bahamas and British Honduras.) *Cable address, Canadian.*

China

V. E. DUCLOS. Address for letters—P.O. Box 264, Shanghai. Office—Ewo Building, 27 The Bund, Shanghai. (Territory includes Central China and North China.) *Cable address, Canadian.*

Cuba

C. S. BISSETT. Address for letters—Apartado 1945, Havana. Office—Royal Bank of Canada Building, Calle Aguiar 367, Havana. (Territory includes Haiti, the Dominican Republic, and Puerto Rico.) *Cable address, Canadian.*

Egypt

HENRI TURCOT. Address for letters—P.O. Box 1770, Cairo. Office—22 Shari Kasr el Nil, Cairo. (Territory includes the Sudan, Palestine, Cyprus, Iraq, Syria, Iran, Greece, Turkey, Bulgaria, and Roumania.) *Cable address, Canadian.*

France

HERCULE BARRÉ, Commercial Attaché, 3 rue Scribe, Paris (9). (Territory includes French Colonies in North Africa.) *Cable address, Cancomac.*

Hongkong

P. V. McLANE. Address for letters—P.O. Box 80, Hongkong. Office—Hongkong and Shanghai Bank Building, Hongkong. (Territory includes South China, the Philippines, and Indo-China.) *Cable address, Canadian.*

Ireland

JAMES CORMACK, 66 Upper O'Connell Street, Dublin, Ireland (*cable address, Canadian*); and 36 Victoria Square, Belfast, Northern Ireland.

CANADIAN GOVERNMENT TRADE COMMISSIONERS—*Con.*

Italy

- A. B. MUDDIMAN, Via Manzoni Nr. 5, Milan (102). (Territory includes Spain, Portugal, Gibraltar, Malta, Albania, and Yugoslavia.) *Cable address, Canadian.*

Japan

- C. M. CROFT, Commercial Secretary. Address for letters—P.O. Box 18, Akasaka Post Office, Tokyo. Office—Canadian Legation, 16 Omotecho, 3-chome, Akasakaku, Tokyo. *Cable address, Canadian.*

Mexico

- R. T. YOUNG. Address for letters—Apartado Num. 126-Bis, Mexico City. Office—Edificio Banco de Londres y Mexico, Num. 30, Mexico City. (Territory includes Guatemala, Honduras, and Salvador.) *Cable address, Canadian.*

Netherlands

- J. A. LANGLEY, Commercial Attaché, Coolsingel 111b, Rotterdam. (Territory includes Switzerland.) *Cable address, Canadian.*

New Zealand

- W. F. BULL. Address for letters—P.O. Box 33, Auckland. Office—Yorkshire House, Shortland Street, Auckland. (Territory includes Fiji and Western Samoa.) *Cable address, Canadian.*

Panama

- H. W. BRIGHTON. Address for letters—P.O. Box 222, Panama City. Office—98 Central Avenue, Panama City. (Territory includes the Canal Zone, Venezuela, Colombia, Nicaragua, and Costa Rica.) *Cable address, Canadian.*

Peru

- M. J. VECHSLER. Address for letters—Casilla 1212, Lima. Office—Edificio Boza, Carabaya 831, Plaza San Martin, Lima. (Territory includes Bolivia, Ecuador, and Chile.) *Cable address, Canadian.*

South Africa

- Cape Town: J. C. MACGILLIVRAY. Address for letters—P.O. Box 683. Office—New South African Mutual Buildings, 17 Parliament Street. (Territory includes Cape Province and Southwest Africa, Natal, Tanganyika, Kenya, Uganda, Mauritius, and Madagascar.) *Cable address, Cantracom.*

- Johannesburg: J. H. ENGLISH. Address for letters—P.O. Box 715. Office—Prudential Assurance Building, 92 Fox Street. (Territory includes Transvaal, Orange Free State, the Rhodesias, Mozambique or Portuguese East Africa, and Nyasaland.) *Cable address, Cantracom.*

United Kingdom

- London: FREDERIC HUDD, Chief Trade Commissioner in the United Kingdom, Canada House, Trafalgar Square, S.W.1. *Cable address, Sleighing, London.*

- London: G. R. HEASMAN, Trade Commissioner, Canada House, Trafalgar Square, S.W.1. (Territory includes Home Counties, Southeastern Counties, and East Anglia; also British West Africa.) *Cable address, Sleighing, London.*

- London: W. B. GORNALL, Fruit Trade Commissioner, Aldine House, Bedford Street, Strand, W.C.2. *Cable address, Canfrucum.* (Territory—for fresh fruit only—includes United Kingdom, Norway, Denmark, Sweden, France, Holland, and Belgium).

- London: G. R. PATERSON, Animal Products Trade Commissioner, Canada House, Trafalgar Square, S.W. 1. *Cable address, Agrilson.*

- Liverpool: A. E. BRYAN, Martins Bank Building, Water Street. (Territory includes North of England, Lincolnshire, North Midlands, and North Wales.) *Cable address, Canadian.*

- Bristol: E. L. MCCOLL, Northcliffe House, Colston Avenue. (Territory includes West of England, South Wales, and South Midlands.) *Cable address, Canadian.*

- Glasgow: G. B. JOHNSON, 200 St. Vincent Street. (Territory covers Scotland.) *Cable address, Cantracom.*

United States

- New York City: D. S. COLE, British Empire Building, Rockefeller Center. (Territory includes Bermuda.) *Cable address, Cantracom.*

- Chicago: W. J. RIDDIFORD, Tribune Tower, 435 North Michigan Avenue. *Cable address, Canadian.*

- Los Angeles: B. C. BUTLER, Associated Realty Building, 510 West Sixth Street. *Cable address, Canadian.*

Note.—Bentley's Second Phrase Code is used by Canadian Trade Commissioners.

COMMERCIAL INTELLIGENCE JOURNAL

Vol. LXII

Ottawa, May 18, 1940

No. 1894



Canadian Dairy Cattle being Landed in Hongkong

ISSUED BY AUTHORITY OF
THE HON. JAS. A. MACKINNON, MINISTER OF TRADE AND COMMERCE
J. G. PARMELEE, DEPUTY MINISTER



CONTENTS

	Page
Mr. Fraser's Tour of Canada.....	743
Overseas Trade of the United Kingdom in March.....	743
United Kingdom Budget	745
Market Opportunity for Flashlight Bulbs in the West of England	746
Market for Smoked, Dried, Frozen and Fresh Fish in South Africa	748
Trade of France with Canada in 1939.....	750
Canadian Trade with the Netherlands in 1939.....	753
United States Maple Sugar and Maple Syrup Situation.....	761
Foreign Trade of Ceylon in 1939.....	763
Economic Conditions in Venezuela	769
Economic Conditions in Colombia.....	771
Income and Purchasing Power in Thailand (Siam)	773
Tenders Invited: New Zealand.....	774
Tariff Changes and Trade Regulations	775
Exchange Conditions in Empire and Foreign Countries:	
South Africa	781
Egypt	781
Anglo-Egyptian Sudan	782
Cyprus	782
Palestine	782
Syria and the Lebanon	782
Iran	783
Iraq	783
Greece	783
Bulgaria	784
Roumania	784
Bolivia	785
Foreign Exchange Quotations	786
Trade Inquiries for Canadian Products.....	787
List of Publications of the Imperial Economic Committee....	788
Commercial Intelligence Service	789

COMMERCIAL INTELLIGENCE JOURNAL

Issued Every Saturday by the Department of Trade and Commerce

PUBLISHED in English and French. Subscription Price for either edition: \$1 per annum in Canada (single copies 5 cents each); \$3.50 outside the Dominion (single copies 10 cents each). Remittances, which may be made by Post Office or Express Orders, or Drafts, or Cheques, payable at par in Ottawa, should be addressed to the King's Printer, Government Printing Bureau, Ottawa.

Vol. LXII

Ottawa, May 18, 1940

No. 1894

MR. FRASER'S TOUR OF CANADA

Mr. F. W. Fraser, Canadian Trade Commissioner at Kingston, Jamaica (whose territory includes the Bahamas and British Honduras), is making a tour of the Dominion in the interest of Canadian trade with his territory. Following is his itinerary as at present arranged:—

Winnipeg	May 29 to 31	Aurora and district	July 2
Vancouver, New Westmin- ster and Victoria	June 3 to 12	Owen Sound and district . .	July 3
Edmonton	June 14	London and St. Mary's . .	July 4 to 5
Toronto and district	June 17 to 29	St. Thomas	July 6

Canadian firms who wish to be brought in touch with Mr. Fraser should communicate, for Toronto, Winnipeg, Edmonton, Vancouver, and Victoria, with the office of the Canadian Manufacturers' Association, and for other centres, with the respective Board of Trade or Chamber of Commerce.

OVERSEAS TRADE OF THE UNITED KINGDOM

FREDERIC HUDD, CHIEF TRADE COMMISSIONER IN THE UNITED KINGDOM

London, April 22, 1940.—Continuing the recovery recorded in the previous months of the year, the external trade of the United Kingdom, according to the Board of Trade returns, showed increases both in imports and exports for the month of March. Both were higher than in any previous month since the outbreak of hostilities, although slightly lower than a year ago.

United Kingdom domestic exports in March had a value of £41,455,815. This figure, although practically the same as for the same month in 1939, indicates greater activity in export trade, since the Easter holidays fell this year in March, thereby reducing the number of working days in the month. The improvement in the sterling value of exports, therefore, is particularly noteworthy when considered on the basis of the average for every working day. As thus calculated, the improvement of March over February was £231,000 a day, and £185,000 a day over March, 1939. The rise in the value of exports is largely due to the decline in the exchange value of sterling. It may be assumed that the day-to-day increase in the volume is not as great as the higher values might indicate.

In spite of the numerous restrictions and the reduction in non-essential imports, the rise in the value of imports was greater than in exports. The increase in import values is largely the result of increased war risk insurance and other rates which do not equally affect exports. The visible adverse balance was £63,500,000 as compared with £55,800,000 in February and an average

monthly figure of £46,400,000 since the beginning of the war. A further reduction in non-essential imports and a still greater volume of exports will be necessary if the United Kingdom's credit assets overseas are to be adequately conserved.

EXPORTS

Shipments abroad of food, drink and tobacco, valued at £2,931,515, fell by 6·4 per cent in spite of an increase of 45 per cent in shipments of beverages (£1,756,074). Exports of raw materials dropped by 14 per cent as compared with March, 1939. Included in this decline was a reduction of 7 per cent in coal sales. Exports of fully manufactured goods, however, showed a definite improvement, the total of £33,473,080 being 2·5 per cent greater than in the corresponding month in 1939. The most notable increases occurred in pottery, glass and abrasives (26 per cent); non-ferrous metals and manufactures thereof (20 per cent); woollens (9 per cent); manufactures of linen, jute, etc. (23 per cent); chemicals, drugs, dyes, etc. (33 per cent). Offsetting these recoveries, decreases were recorded in iron and steel and manufactures (4 per cent); and machinery (25 per cent). These decreases were doubtless due to the pre-occupation of these industries with orders for essential domestic requirements.

IMPORTS

Aggregate imports during March amounted to £108,543,354, an increase of 39 per cent as compared with 1939. The food, drink and tobacco group (valued at £43,715,817) expanded by 22 per cent, deliveries being maintained at a high level. Grain and flour (£8,827,791) advanced by 56 per cent, dairy produce (£9,746,233) by 49 per cent, meat (£9,673,009) by 11 per cent. On the other hand, receipts of tobacco (£404,348) were greatly reduced, the decline being 75 per cent. Purchases of raw materials from abroad during the month were also unusually heavy, the total at £34,702,859 representing an increase of 77 per cent as compared with a year ago. Outstanding advances occurred in raw cotton (£6,643,878) which rose by 167 per cent, wool (£7,177,980) by 46 per cent, and seeds and nuts for oils, etc. (£4,689,147) by 83 per cent.

Imports of articles wholly or mainly manufactured were entered at £29,598,855, an increase of 35 per cent as compared with March, 1939. Consignments of iron and steel manufactures (£2,380,429), oils and fats (£8,539,471), paper, cardboard, etc. (£2,301,135), and leather (£1,476,857) were all more than double last year's figures, and increases were fairly generally distributed throughout all the listed products. Decreases occurred in imports of vehicles, textiles of various kinds, and pottery and glass.

RESTRICTION OF HOME CONSUMPTION

With a view to assisting the external trade position and meeting the needs of the services, the Government has adopted measures to restrict the home consumption of certain textiles. The scheme applies to the quantities supplied to the retail trade by the wholesalers, who are required not to sell in the home market more than three-quarters of the normal amount which is taken to be their trade between April 1 and September 30, 1939. This development is generally regarded as indicative of a policy that may be extended to other products and is bound up with the vigorous measures being taken through the Export Council and otherwise to further increase the volume of exports.

UNITED KINGDOM BUDGET

FREDERIC HUDD, CHIEF CANADIAN TRADE COMMISSIONER IN THE
UNITED KINGDOM

London, April 25, 1940.—In his budget survey of United Kingdom Government finances during the fiscal year just concluded, the Chancellor of the Exchequer stated that the actual expenditure amounted to £1,816,873,000, which was £116,500,000 less than the sum estimated. Regarding revenue, the estimate of £995,000,000 was exceeded by £54,000,000, which he described as a heartening result. The main contribution was income tax, which yielded £390,000,000, the largest total ever produced from this tax in the United Kingdom in a single year. This figure compares with £59,000,000 collected from income tax in the first year of the last war.

Another striking feature of the revenue returns was the unexpected income derived from motor vehicle duties. In spite of the heavier taxation and the restrictions imposed by the rationing of gasoline, these duties produced £34,000,000 instead of the £22,000,000 originally anticipated.

ESTIMATES FOR 1940-41

As regards the future, the Chancellor assumed that £2,000,000,000 would be required for war purposes this year, and an additional £667,000,000 for civil requirements, making a total estimated expenditure of £2,667,000,000. It is proposed to raise £1,234,000,000 of this sum by taxation and similar expedients, and £1,433,000,000 by borrowing. On last year's basis taxation is calculated to provide £1,133,000,000, so that the Treasury was faced with the task of obtaining £101,000,000 by additional imposts.

To bridge the gap, income tax, in the first place, is to be increased from 7s. to 7s. 6d. in the pound, and certain adjustments are to be made in the surtax on higher incomes.

CUSTOMS AND EXCISE DUTIES

In the field of indirect taxation the duty on beer is to be raised. The new excise rate is expressed at 65s. per bulk barrel plus 2s. 6d. per degree of gravity above 1,027°, with corresponding adjustments in the customs duties. The spirit duty is increased by 15s. per proof gallon which makes the full rate 97s. 6d. per proof gallon.

Import duties on tobacco are increased by 4s. per pound, making the basic full rate 17s. 6d., and the British preferential rate 15s. 5½d. per pound.

As regards matches, increases in the excise and customs duties are to be introduced which will have the effect of raising the retail price by approximately 50 per cent, and countervailing increases in the excise and customs duties on mechanical lighters are also to be adopted.

POSTAL AND TELEPHONE CHARGES

Important increased postal charges are included in the Chancellor of the Exchequer's proposals. The initial rates of the inland post will be increased, for letters by 1d. a packet, which will mean 2½d. instead of 1½d. for letters up to 2 ounces; for post cards, from 1d. to 2d.; for printed papers by ½d. a packet; and for newspapers by ½d.

There will be similar increases for letters and post cards in the Empire post. For the foreign post the rate for letters will be increased by ½d. a packet (3d. instead of 2½d.) and that for post cards by ½d. Neither in the Empire

nor in the foreign post are any increases proposed for other classes of mail, in order not to advance charges for services which are important in the development of export trade. There will be no increased charge in the air mail.

An increase of 15 per cent on telephone charges, and heavier poundage costs for postal orders are also proposed.

NEW PURCHASE TAX

A feature of the budget which has aroused keen interest is the novel proposal of a sales tax, largely upon the Canadian model, or as the Chancellor called it, a "purchase tax."

In the scheme which he has in mind, the purchase tax, in the form of a percentage on the price, will be paid at the stage when the wholesaler is selling to the retailer. Goods destined for export will be exempt from the tax, which will not be imposed upon food, drink or animal foodstuffs, or upon articles already subject to heavy duties, such as tobacco and gasoline. The scale of this tax, if approved, is to be fixed by Parliament and the administration will be delegated to H.M. Customs and Excise.

LOAN POLICY

The Government have rejected for the time being the various plans advanced for compulsory saving, and are apparently satisfied that the deficiency in income can be filled by voluntary contributions to the various war loans, which are either open or which will be issued during the coming year. In this connection it is intended to limit the dividends paid by public companies during the war period; at the same time the issue of bonus shares is to be prohibited. It is anticipated that these measures will swell the volume of funds available for investment in war loans by public corporations.

The budget on the whole has been well received, although the parliamentary debate indicated some opinion that the amount it is proposed to raise by taxation is inadequate to the country's maximum war effort, having in mind the combined rate of expenditure of both England and France in relation to the German expenditure on war purposes, the initial advantages of the enemy, and the output of German factories.

MARKET OPPORTUNITY FOR FLASHLIGHT BULBS IN THE WEST OF ENGLAND

L. H. AUSMAN, ASSISTANT TRADE COMMISSIONER

Bristol, April 23, 1940.—The blackout conditions during the past winter created an almost insatiable demand for flashlights of all kinds and component parts. The available supply of batteries, however, soon became depleted, and retailers' supplies were at times inadequate. It was not uncommon to observe queues of purchasers at shops where fresh stocks had just been received.

The demand for bulbs, although not so acute as for batteries, became rather pressing during the winter months, and on the whole the supply was inadequate. To supplement stocks of domestic manufacture, bulbs were imported in considerable volume from abroad, principally from Hongkong, Japan, and the Netherlands, those from Hongkong entering free of duty under the British preferential tariff.

PRICES

Prices of foreign bulbs, which before the outbreak of war sold at from 3s. to 6s. per 100, delivered, rose as high as 14s. to 16s. per 100 by the end of 1939. With the coming of spring and the longer hours of daylight, the demand has fallen off to such an extent that the price for forward delivery and ex stock has dropped to from 5s. to 8s. 9d. per 100. Current quotations on bulbs of English manufacture are in the neighbourhood of 1s. 6d. to 2s. per dozen, which are slightly higher than pre-war prices but lower than those in effect a few months ago.

PRESENT DEMAND

Although the demand at present is much less than it was a short time ago, and the domestic manufacturers have succeeded in increasing their production, there seems little doubt that when the autumn and winter months arrive the requirements in flashlight bulbs, both on the part of the general public and the fighting services, will increase to such an extent that the British makers will be unable to cope adequately with them. Consequently importers and distributors in the West of England and South Midlands would be interested in offers from Canada of the 3·5v., 2·5v., and 1·5v. bulbs of the usual types. It must be borne in mind, however, that prices should not be higher than those of English bulbs and should be in line, as far as possible, with prices of imported products.

BATTERIES AND CASES

Although, as in the case of bulbs, the demand for flashlight batteries and cases has abated for the time being, it is anticipated that the situation next season will be similar to that experienced last winter. During the summer months it may be expected that British battery manufacturers will make an effort to build up more or less adequate stocks. Importers will, however, be interested in offers from Canada, provided prices are in line with those quoted by domestic manufacturers. Last season, owing to the acute shortage of batteries of all sizes, the prices paid for imported lines were much higher than for those made in England. This is not as likely to be the case next winter, particularly so far as the standard sizes and types are concerned.

There was also a shortage of the smaller types of flashlight cases suitable for carrying in the pocket or handbag. Simplicity and efficiency have been the features of a host of small hand flashlights of various designs made to hold the standard types of batteries. Offers of Canadian cases would be given careful consideration, but it should be noted that, generally speaking, the retail prices of flashlights have been lower in this market than in Canada.

TARIFFS AND IMPORT LICENSING REGULATIONS

Hand flashlights or torches, and flashlight cases imported from foreign sources are subject to a duty of 1s. 2d. per pound or 20 per cent ad valorem, whichever is the greater. Flashlight bulbs and batteries are dutiable at 20 per cent ad valorem. Goods of Empire origin when covered by a properly completed certificate indicating 50 per cent Empire content are duty free.

There are at present no licence restrictions in connection with the importation of "flash lamp bulbs of 4·5 volts or less, and batteries" from any country. The importation of hand lamps or torches, pocket lamps, and inspection lamps, and parts therefor is, however, prohibited except under licence issued by the Board of Trade.

MARKET FOR SMOKED, DRIED, FROZEN AND FRESH FISH IN SOUTH AFRICA

J. C. BRITTON, ASSISTANT TRADE COMMISSIONER

Johannesburg, April 9, 1940.—Sufficient quantities of fresh fish are available from fisheries adjacent to the Union of South Africa to cater adequately to the country's requirements and to provide an exportable surplus which is consigned chiefly to Australia, Southern Rhodesia and Mauritius. The amount of smoked, dried and frozen fish imported from overseas is, therefore, limited in extent and confined mainly to kippers, smoked salmon and herrings. Substantial increases in the prices of kippers since the outbreak of war have curtailed purchases and, as a result, the quantity sold has declined to approximately 50 per cent of former totals. Importers have heavy stocks of kippers on hand and volume purchases are not likely to take place until present stocks have been reduced.

DOMESTIC FISHING INDUSTRY

The fishing industry of South Africa has had a steady expansion. Prior to the outbreak of war there were more than twenty-five trawlers and a considerably larger number of line fishing vessels engaged in the trade. Figures covering the total domestic catch are not available. It is estimated, however, that the amount of South African fresh and smoked fish distributed from the Wiatersrand area each month is from 1,000,000 to 1,500,000 pounds. The amount sold in the remainder of the country is estimated to be somewhat lower, since the chief market is in Johannesburg and vicinity. Smoked and dried fish valued at £112,012 was prepared in domestic plants in the fiscal year 1936-37. This figure compares with £95,216 in 1935-36 and £87,685 in 1934-35. Since the outbreak of war a number of the fishing trawlers have been seconded for duty with the Defence Forces, and the choice of varieties is now very limited, although the quantity of fresh fish available for consumption and smoking and drying has declined only slightly in volume.

VARIETIES IN DEMAND

Types of imported fish in widest demand in South Africa are kippers, smoked salmon, salt herrings and haddock. There are imported many other special varieties of smoked, frozen and dried fish, such as frozen salmon, mazy herring and ling; but these have only a very limited sale. Prices have been subject to wide fluctuations in recent months and this condition will doubtless continue for some time. The following prices, which thus afford only a general indication of the price level, are the most recent wholesale quotations on the principal imported fish landed in Johannesburg:—

Plain kippers.. . . .	12s. 6d. to 14s. per 14-pound box
Boneless kippers.. . . .	15s. per 14-pound box
Salt herrings.. . . .	£7 per large size barrel containing approximately 800 fish
Smoked salmon.. . . .	3s. to 3s. 3d. per pound

Imported haddock is being sold retail at 2s. per pound, whereas a very satisfactory type of domestic haddock is available at 9d. per pound.

IMPORTS

The following tables show the value of imports of dried, cured, and fresh or frozen fish from the principal supplying countries in the calendar years 1938, 1937 and 1936:—

Imports of Dried and Cured Fish

	1938	1937	1936
Total	£67,854	£70,009	£72,543
United Kingdom	51,350	53,601	52,900
Netherlands	7,973	8,701	10,624
India	4,114	3,702	2,669
Canada	2,597	2,570	4,068
Other countries	1,820	1,435	2,282

Imports of Fresh and Frozen Fish

	1938	1937	1936
Total	£ 4,929	£ 2,893	£ 3,568
Portuguese East Africa	3,628	2,492	3,169
United Kingdom	873	131	123
Canada	136	4	83
Other countries	292	266	193

The United Kingdom, the chief supplying country, furnishes the bulk of the plain and boneless kippers, smoked salmon and haddock which is imported into the Union of South Africa. Exporters from the United Kingdom have long-established connections with the trade and are fully familiar with market requirements. Holland enjoys a large share of the salt herring trade. Imports from Canada are made up of smoked and mild-cured salmon.

EXPORTS

Exports of dried and cured fish from the Union of South Africa were valued at £58,230 in 1938 as compared with £62,394 in 1937. Australia was the chief customer, taking exports from South Africa valued at £39,570 in 1938 and £44,427 in the previous year. Mauritius was next in order of importance with purchases amounting in value to £9,375 in 1938 and £8,365 in 1937, followed by Reunion with £4,902 and £6,242, and Southern Rhodesia with £3,714 and £3,269.

Fresh or frozen fish exports, other than crayfish tails, were valued at £31,377 in 1938 and £22,107 for 1937. Southern Rhodesia and Australia were the principal markets. Crayfish tails and preserved crayfish are the most important fish exports from the Union of South Africa, the combined value amounting to £208,869 in 1938 and £287,465 in the preceding year.

DISTRIBUTION AND TARIFF

Importers and wholesalers, following a long-established practice, indent direct for any supplies of smoked and dried fish required from overseas. The best method to introduce new lines on the market is by making direct contact with firms of good standing rather than by the appointment of a resident agent. Lists of reputable firms handling fish and allied lines will be furnished on request to Canadian firms by the Canadian Trade Commissioners in South Africa. Fresh, dried, cured or salted and smoked fish are subject to a specific duty of 2d. per pound upon importation into the Union of South Africa. This rate applies to all countries.

TRADE OF FRANCE WITH CANADA IN 1939

HERCULE BARRÉ, COMMERCIAL ATTACHÉ

(In converting francs into dollars, the rate of 37·65 francs to the dollar has been used for the period January-July, 1939, and the rate of 33½ francs to the dollar for the corresponding period of 1938.)

Paris, April 12, 1940.—The total trade of France with Canada in the first seven months of 1939, for which alone detailed statistics are available, amounted to 427,633,000 francs (\$11,403,540) as compared with 441,043,000 francs (\$13,231,300) during the corresponding period of 1938. Thus, while the franc value of total trade only decreased by 3 per cent, the value in dollars decreased by 12½ per cent.

Most of this decrease was in imports from Canada. Total imports amounted to 313,790,000 francs (\$8,367,700) as against 352,326,000 francs (\$10,569,800), a decrease of 11 per cent in francs and of 20 per cent in dollars. In terms of French purchasing power, that is, of francs, the decrease in imports was not great, but it was of considerable consequence in terms of dollars. The review of commodities which follows will show in which categories this decrease was chiefly to be found.

The balance of trade remained favourable to Canada, exports of French goods to Canada being valued at 113,843,000 francs (\$3,035,800) as against 88,717,000 francs (\$2,661,500). Although French exports increased by nearly \$400,000, or by 15 per cent, there was a balance in favour of Canada of \$5,332,000 as against nearly \$8,000,000 in the corresponding period of 1938.

IMPORTS FROM CANADA

The following table shows the values and quantities of the principal commodities imported into France from Canada during the first seven months of 1939 and 1938:—

Imports into France from Canada

	January-July		January-July	
	1939	1938	1939	1938
	1,000 Frs.	1,000 Frs.	M. Tons	M. Tons
Total	313,790	352,326	105,426.544	112,472.370
Frozen meat	268	1,358	35.8	265.1
Raw pelts and skins	91,768	107,787	99.8	363.9
Cheese	801	684	66.2	56.6
Fish, frozen	1,480	1,441	129.7	159.2
Fish, canned	13,857	13,038	2,094.8	2,454.0
Lobster	1,538	1,248	70.7	54.8
Cereals	90,856	114,395	73,905.3	69,735.0
Fruits	2,034	1,143	520.4	381.2
Common woods	5,189	5,940	6,642.0	9,208.0
Woodpulp	9,333	20,133	2,903.1	5,516.5
Stones and earths	17,880	19,017	5,672.1	7,516.3
Gold and platinum	1,758	2,314	0.042	0.067
Copper	42,094	32,874	4,854.3	4,319.0
Lead	2,840	4,646	1,024.8	1,798.1
Zinc	449	2,830	147.0	980.4
Nickel	5,263	2,237	172.7	81.0
Chemicals	3,693	4,064	6,924.1	9,319.5
Dressed pelts	1,438	3,077	4.5	3.9
Goldware	566	438	0.002	0.003
Machinery and parts	1,048	1,658	107.7	200.3
Rubber goods	1,512	1,507	51.5	59.5
Other articles	18,125	10,497	.....	.....

NOTES ON COMMODITIES

The major variations in French imports from Canada, as pointed out in previous reports, are to be found in purchases of wheat and furs. French

wheat imports depend upon the size of the domestic crop. For the period under review the third consecutive excessive crop in France was still to be liquidated. Total French imports of wheat in the seven months amounted to 9,263,550 bushels as compared with 10,112,420 bushels in the corresponding period of 1938. Total imports in the twelve months of 1938 were 17,306,316 bushels. The following table shows the imports by supplying countries in the January-July periods of 1939 and 1938:—

	Jan.-July, 1939 Bushels	Jan.-July, 1938 Bushels
Canada	2,715,291	2,547,924
Argentina	110,800	208,667
North Africa	6,026,748	6,796,035
United States	286,629	432,906
Others	124,079	126,886

Canada supplied 29·31 per cent of total French imports of wheat in the seven months of 1939 and North Africa 65 per cent. In the calendar year 1938 Canada's share was 34·62 per cent.

Imports of furs into France depend firstly on fashions, secondly on re-export trade, and thirdly on the importance of speculative stocks imported against the possibility of a rise in values. For the first seven months of 1939 the value of imports of furs from Canada was \$2,447,100 as compared with \$3,233,600 in the corresponding period of 1938.

The important place occupied by wheat and furs in French imports from Canada is indicated by the following figures of the values of total imports, and imports of cereals, furs and other goods from Canada in the January-July periods of 1939 and 1938:—

	Jan.-July, 1939	Jan.-July, 1938
Total imports	\$8,367,700	\$10,569,800
Imports of cereals	2,422,800	3,431,800
Imports of furs	2,447,100	3,233,600
Imports of other goods	3,497,800	3,904,400

It will be seen from this table that trade in commodities other than cereals and furs was reduced by only 10 per cent. Most of this decrease was due to reduced purchases of wood pulp, and the latter in turn may be traced to the reduced output of rayon mills in France. From the fourth largest item imported into France from Canada in 1938, coming next to wheat, furs and copper, and amounting to 5,516 metric tons valued at \$604,000, wood pulp fell in 1939 to sixth place, with imports of 2,903 metric tons valued at \$249,000. It should be noted, however, that imports in 1938 were uncommonly high and that the figure for 1939 was more in line with previous quantities.

Copper has for many years been in third place among imports from Canada. For the seven months of 1939 imports amounted to 4,854 metric tons valued at \$1,122,500 as against 4,319 tons at \$986,620 for the similar period of the preceding year.

Next in importance among metal imports was nickel, of which 173 tons valued at \$140,350 were imported as against 81 tons at \$67,110 in the previous year. In the period under review nickel took the place of lead and zinc, imports of both of which fell very considerably. Lead imports declined from 1,798 tons valued at \$139,400 to 1,025 tons at \$75,730. Zinc imports declined to a greater degree, from 980 tons valued at \$84,900 to 147 tons at \$12,000. As shipments of these materials often arrive late in the year, large quotas not being granted until the domestic situation is fully appreciated, it is not known whether this represents merely a retarding of imports, or a definite falling-off for the year.

Next to copper, the most important product entering France was asbestos. For the seven months under review, 5,672 tons at a value of \$476,800 were

imported, as against 7,516 tons valued at \$570,500. In this case, large shipments were on the way at the close of the period, and it is probable that for the full year there was a large increase in imports from Canada.

In fifth position among imports from Canada was fish, dry, salted or canned. Practically all of the imports under the heading was canned salmon, since frozen salmon and canned lobster are entered under other headings. Total imports for the seven months amounted to 2,095 metric tons valued at \$369,500 as against 2,454 tons valued at \$391,100 in the previous year. During the same period, the value of canned lobster imported was \$41,000 as against \$37,400 in 1938. Imports of frozen salmon, however, fell slightly from a value of \$43,200 to \$39,500.

Imports of common lumber continued at a higher level due mainly to continued demand for pulpwood. Total imports were 6,642 metric tons valued at \$138,400 as against 9,208 tons valued at \$178,200.

Imports of chemical products came to 6,924 metric tons worth \$98,480 as compared with 9,319 tons at \$121,900 in the previous year. Imports of fresh apples, although still lower than usual, increased slightly from 381 tons valued at \$34,300 in 1938 to 520 tons worth \$54,240 during the period under review.

Imports of rubber goods were worth \$40,320 as against \$45,210 in the previous year; imports of prepared skins were only \$38,360 as against \$92,310; imports of gold and platinum were \$46,880 against \$69,420; imports of machinery dropped from \$49,740 to \$27,950; those of gold and silver articles were \$15,100 against \$13,140.

Imports of fresh and frozen meats, which include such by-products as frozen pig livers, decreased in value from \$40,700 to \$7,150; while those of cheese increased slightly from \$20,520 to \$21,360.

The total of other articles imported from Canada increased from \$314,900 to \$483,330. None of these articles are specified, but it is interesting to note that the proportion of such articles has risen to nearly 6 per cent of total imports from Canada, indicating an increasing diversity in Canadian exports.

EXPORTS TO CANADA

The total value of French exports to Canada during the seven months under review was \$3,035,800 as against \$2,661,500 during the corresponding period in 1938.

The most important category of exports to Canada is spirits and liqueurs, the value of which remained almost stationary at \$227,650 as against \$224,910 in the previous year. Different types of paper were next at \$209,040 as against \$236,970. Silk and rayon tissues followed with an increase from \$124,000 to \$193,200. Among other textiles, exports of cotton goods also increased considerably from \$32,900 to \$102,720. Those of woollen goods decreased in value from \$67,800 to \$52,350.

Prepared medicines were next to silk and rayon goods in order of gain with a total value of \$148,240 as compared with \$104,340 in the previous year. Shipments of hides and skins were somewhat higher in value at \$150,000 as against \$141,310, and sales of wines were valued at \$120,500 as compared with \$86,640. Exports of leather goods had a total value of \$119,200 as against \$96,700, while those of prepared skins and hides declined in value to \$96,510 from \$185,310 in the previous year. Other items of slightly lower value were perfumery and soap, chemical products, tableware, metal manufactures, fruit and fruit products, glassware, books, reviews and newspapers, clothing, jewelry.

The following table shows the values and quantities of the various groups of commodities exported to Canada from France during the first seven months of 1939 and 1938:—

Exports from France to Canada

	January-July, 1939		January-July, 1938	
	1,000 Frs.	1,000 Frs.	M. Tons	M. Tons
Raw pelts and skins	5,631	4,677	147.6	139.9
Wool and waste	1,483	461	58.8	11.0
Cheese	839	627	58.6	44.8
Fruits	2,869	3,921	220.4	399.5
Fusel oils and essences	3,023	2,345	205.0	162.0
Preserved vegetables	680	776	116.3	137.4
Nursery stock	449	388	51.2	44.3
Wines, brandies and liquors	13,057	10,385	571.0	501.3
Mineral waters	597	423	436.9	420.8
Iron and steel	1,737	334	1,535.4	265.5
Chemicals	3,603	2,984	368.5	324.9
Dyes	1,997	400	54.1	14.8
Colours, ink and pencils	188	295	79.5	78.6
Perfumery and soap	4,108	2,934	286.1	186.8
Compound medicines	5,559	3,478	146.1	128.6
Earthenware and china	705	364	68.7	23.9
Glass and crystal	1,687	934	221.4	262.7
Cotton yarns	338	594	5.4	9.6
Fabrics:				
Cotton	3,852	1,097	32.5	15.0
Wool	1,963	2,260	24.5	28.6
Silk	7,244	4,136	41.920	24.062
Jute	386	216	20.0	10.8
Hosiery	2,357	2,182	11.8	12.9
Paper	7,839	7,899	487.3	378.7
Books, engravings, etc.	3,580	3,791	169.6	159.9
Cinema reels and films	530	556	1.4	1.5
Leather goods	4,469	3,224	11.5	8.4
Dressed pelts	3,619	6,177	19.9	37.0
Jewellery and imitation	1,959	1,410	11.331	7.589
Metal wares	2,510	1,995	70.2	85.2
Musical instruments	457	277	....	....
Hats and caps	41	70	0.6	1.0
Scientific instruments	277	452	7.5	5.7
Fans and fancy wares	3,101	3,112	60.2	66.7
Toys and games	1,260	1,454	22.8	30.7
Millinery	276	190	....	....
Post parcels	3,892	3,110	36.1	36.0
Other articles	16,687	8,789	....	....

CANADIAN TRADE WITH THE NETHERLANDS IN 1939*

W. G. STARK, ASSISTANT COMMERCIAL ATTACHÉ

I

(During the period January-August the exchange value of the florin or guilder was approximately \$0.54 Canadian; from September 2 until the end of 1939 it was about \$0.59; one metric ton equals 2,205 pounds; one cubic metre equals 35.3 cubic feet.)

Rotterdam, April 1, 1940.—During 1939 there was a considerable decline in Canadian trade with Holland, not only in direct shipments, particularly exports of cereals from Canada, but also, due to the outbreak of hostilities in Europe, in the former transit and transshipment traffic. According to figures of the Dominion Bureau of Statistics, the value of Canada's exports to the Netherlands decreased from \$10,267,000 during 1938 to \$7,357,000 in 1939. With imports from Holland valued at \$3,796,000, the total value of Netherlands-Canadian commerce exchanges for 1939 amounted to \$11,153,000.

CANADIAN TRADE FIGURES

Despite the unfavourable trading conditions, Holland remained an important outlet for Canadian merchandise. Cereals, especially wheat, took

*Attention is directed to the date of this report, which was written on the assumption of continued Netherlands neutrality.—Ed.

first place, followed by metals, minerals, rubber goods, forestry products, and foodstuffs.

The Kingdom of the Netherlands constitutes a consumers' market of over 8,500,000 people. There are no restrictions on transfers of funds in payment for Canadian goods, and so far the guilder, the Netherlands unit of currency, has remained comparatively steady. The lucrative traffic from overseas via Netherlands ports up the Meuse and Rhine waterways has, of course, been greatly reduced and such Canadian merchandise as formerly moved in fair quantities via these routes to Germany, Belgium, Switzerland, and Central Europe is now cut off. Nevertheless, for the year under review, although exports from the Dominion to this country declined by 28 per cent, the Netherlands was Canada's tenth best customer. This is shown in the following table, which includes all countries to which the Dominion forwarded over \$5,000,000 worth of goods in 1939:—

Canadian Exports to Principal Countries

	1938	1939
United States	\$270,461,000	\$380,392,000
United Kingdom	339,689,000	328,099,000
Australia	32,982,000	32,029,000
Japan	20,770,000	28,168,000
British South Africa	15,547,000	17,965,000
New Zealand	16,371,000	11,954,000
Norway	7,854,000	10,904,000
Newfoundland	8,403,000	8,506,000
Germany	18,261,000	7,869,000
Netherlands	10,267,000	7,357,000
Belgium	9,355,000	7,261,000
France	9,152,000	6,973,000
British India	2,986,000	5,396,000

TRADE BALANCE

The visible balance of trade between Holland and the Dominion is in the latter's favour. For 1939 exports to the Netherlands were valued at \$7,357,000 and imports therefrom at \$3,796,000, this favourable balance of trade therefore amounting to \$3,561,000, which is considerably less than in 1938 or 1937 when the visible credits in Canada's favour were \$6,511,000 and \$9,162,000, respectively. However, when due allowance is made for shipments forwarded to Holland but ultimately shipped to destinations beyond its frontiers, the balance in Canada's favour is considerably reduced. This has been the case particularly during the past few years in which the volume of trade between these countries has been decreasing. With present near cessation of the re-forwarding trade, the difference between Canada's exports to and imports from the Netherlands has been narrowed still more.

NETHERLANDS STATISTICS ON CANADIAN TRADE

A substantial decrease during 1939 in the total value of commerce between the Dominion and Holland, to which reductions in both imports and exports contributed, is shown in the official trade returns issued by the Netherlands Central Bureau of Statistics. A decided decline in the volume of goods moved is also indicated—in imports principally as a result of reduced cereal shipments to the Netherlands from the Dominion, and in Holland's exports to Canada due mainly to the cessation of coal shipments and to the smaller exports of vegetable oil.

TOTAL TRADE

Total trade—the combined values of imports and exports—decreased from fl.29,172,000 during 1938 to fl.15,182,000 in 1939. There was thus a decline of fl.13,990,000, or almost 48 per cent, from the previous year's aggregate. In volume the total amount of goods moving between the two countries dropped

from 450,000 metric tons to 171,000 tons for the period under review, a decline of 279,000 tons, or over 62 per cent.

The progressively steady increase that had been shown since the low level of 1934 has now been interrupted, and trade between the two countries has receded again, with the probability of falling still lower in 1940. The table below illustrates the changes in the total imports into Holland from Canada and in Netherlands exports to the Dominion during the past eight years:—

Canadian-Netherlands Trade Figures, 1932-1939

	Imports from Canada		Exports to Canada	
	M. Tons	Florins	M. Tons	Florins
1932	430,721	23,454,119	59,095	7,645,000
1933	285,778	15,414,668	36,778	5,137,000
1934	128,289	7,701,780	48,948	4,641,000
1935	146,830	8,875,081	37,428	4,330,000
1936	318,281	19,119,295	69,937	5,351,000
1937	215,319	20,001,366	40,879	5,497,000
1938	365,810	22,657,193	84,249	6,515,158
1939	138,474	9,270,930	32,263	5,910,858

Approximately 20 import or export products contribute principally to make up the foregoing totals. The ranking importance and values of these commodities are shown in the following table which includes all imports from and exports to Canada, the individual values of which exceeded fl.50,000, or roughly \$24,500, for 1939:—

Principal Imports from Canada into the Netherlands in 1939

	Fl. 1,000
Total	9,271
Wheat	3,248
Copper, bronze and brassware	1,099
Barley	557
Products of rubber and balata; automobile tires	514
Zinc and unspecified ores, other than iron and manganese	426
Oats	326
Asbestos and other non-specified minerals and products	235
Aluminium and other non-specified metals and products thereof	210
Textile products; secondhand bags	206
Lumber	141
Plywood, wood-pulp and other wood products	134
Fresh apples	126
Buckwheat	99
Wheat flour	73
Honey	69
Wallboards	69
Train oils	62
Animal products, non-specified	60

NOTE.—Imports of soya beans at 1,146,000 florins have been omitted; although credited to the Dominion, they are not Canadian beans.

Principal Exports to Canada from the Netherlands in 1939

	Fl. 1,000
Total	5,911
Flower bulbs and nursery stock	1,241
Binder twine and ropework	1,115
Yarns, artificial silk	607
Paints, dyes, lacquers and varnishes	362
Potato flour, dextrine and flour manufactures	289
Chemical products	272
Paintings and prints, unframed; miscellaneous articles	214
Rags, old paper and waste	207
Medicines and chemical food preparations	180
Vegetable oils	180
Piece-goods, fabrics and tissues	157
Husked rice and other cereals	107
Cocoa powder, paste and chocolate	90
Seeds, except vegetable and flower seeds	61
Glass and glassware	57
Fish and shellfish, herrings	52

NOTE.—Exports of fertilizers are large, but values are not available from the trade returns.

The favourable import balance for Canada declined from fl.16,142,000 in 1938 to fl.3,360,000 in 1939 and, when a deduction is made for such items as soya beans, maize and the bulk of the barley—which, according to the trade, are erroneously credited to the Dominion—the value of commodities exchanged between the two countries is nearly equal.

NATURE OF IMPORTS FROM CANADA

As may be observed from the foregoing table, the bulk of the imports from Canada into the Netherlands is raw and semi-manufactured materials for further processing. The list of semi- and fully-manufactured goods is, however, gradually lengthening. Competition generally is keen, since Holland has but a single-column tariff of medium scope, and products from all lands reach this market on a more or less equal footing. The domestic industry, buying raw materials abroad from the cheapest seller and during crisis years protected by quota regulations which restrict imports from foreign countries, is a powerful competitor. The Hollander, by nature and custom a born trader, will generally purchase only from the supplier, native or foreign, who can submit the lowest offer.

Goods are only considered as imported into Holland if actually entered for consumption—i.e. when customs duties and other charges have been paid. The Netherlands statistics therefore provide a fairly exact resumé of Canadian merchandise products used in this country. The import value assessed is the c.i.f. price of the commodity laid down at the port of entry. Allowance must be made, however, for consignments not arriving by direct steamer, as when transshipment takes place in the United States, Belgium or the United Kingdom, the identity of imports is sometimes lost, and credit for supplying them is given in the statistics to the country where they were last loaded.

The aggregate value of imports recorded as arriving from Canada decreased from fl.22,657,193 for 1938 to fl.9,270,930 for 1939. There was therefore a decline of fl.13,386,263, or roughly 59 per cent, during the period under review. The quantity showed a similar decline, dropping from 365,810 tons to 138,474 tons, a decrease of 227,336 tons or approximately 62 per cent.

CEREALS

The above-mentioned declines in imports may be attributed chiefly to a reduction in imports of cereals into Holland from Canada, due to cheaper supplies being available elsewhere. Of late, however, the urgent necessity of maintaining vital food reserves in the country, the scarcity of shipping space, and the rising costs of transport have led the authorities to take the necessary emergency measures. Cereals are now bought by a Central Government Purchasing Office and consigned to the Netherlands Government. The strong competition from other sources during the January-August period and the dislocation in the first months of the war were reflected, however, in the lower total arrivals of Canadian grains, which declined from 331,481 tons (fl.19,010,927) in 1938 to 93,279 tons (fl.4,307,115) for 1939. There was thus a decrease of 238,202 tons (fl.14,703,812), or of approximately 72 per cent in quantity and 77 per cent in value.

There were formerly large imports of Middle-west United States maize (corn) via the Great Lakes and the St. Lawrence to Holland. Since these shipments were cleared from a Canadian port, they were credited to Canada. Due to the poor crop in the United States such shipments have fallen off from 128,854 tons (fl.6,695,000) in 1938 to 1,077 tons (fl.43,000) in 1939, a decline of 127,787 tons (fl.6,652,000). This item alone accounts for slightly more than

50 per cent of the decrease in the total imports from Canada in 1939 as compared with 1938.

Imports of barley, also mainly of United States origin but forwarded from Canada, fell from 70,113 tons (fl.3,589,000) to 12,580 tons (fl.557,000). Oat shipments increased in volume but declined in value, the figures being 6,608 tons (fl.427,000) in 1938 and 7,108 tons (fl.326,000) in 1939. These are principally destined for use by the army.

Arrivals of buckwheat declined from 4,139 tons (fl.264,000) to 1,653 tons (fl.99,000). The United States was the principal supplier.

WHEAT

Wheat is the most valuable single commodity imported into Holland from the Dominion. In 1939 it accounted by weight for slightly over 50 per cent of all merchandise and in value for about 35 per cent. During 1938 the corresponding percentages were 30 and 32, respectively. Any decrease, therefore, in shipments of this important cereal is reflected immediately in Canada's total trade with this country.

In comparison with 1938 when, according to the Netherlands trade returns, imports of Canadian wheat were 109,138 metric tons (4,011,000 bushels), this year they totalled but 70,132 tons (2,577,000 bushels), a decline of 39,006 tons (1,434,000 bushels), or roughly 36 per cent. The value fell off even more in proportion—from fl.7,293,483 to fl.3,247,966, a decrease of fl.4,045,517, or of just over 55 per cent.

Canada's share of Holland's entire wheat imports declined from 17 per cent in 1938 to 11 per cent for 1939. United States with 34 per cent; Argentina, 24; France, 13; Canada, 11; Roumania, 10; and Russia, 6 per cent of total imports, were the principal suppliers of wheat to Holland during 1939.

DECREASES IN 1939 TRADE

The net decline in value in 1939 imports from Canada into the Netherlands as compared with those in 1938 amounted to fl.13,386,000. As mentioned above, reduced shipments of grains are mainly responsible, and the smaller advances in other lines were not sufficient to completely offset the fall in cereal imports of fl.14,703,000.

The principal commodities showing decreases, as indicated in the main import table below, including grains (with values for declines in thousands of florins) are as follows: maize, 6,652; wheat, 4,045; barley, 3,032; rye, 708; copper, 310; wood, non-specified, mainly pulpwood, 202; buckwheat, 165; oats, 101; and chloride of potassium, 92.

Advances were recorded for certain items for the year under review as appended, the value of the gain in each case being in thousands of florins: soya beans, actually not Canadian but shipped via Dominion ports, 438; ores, other than manganese (mainly zinc), 379; rubber products, principally automobile tires, 299; second-hand bags, 199; metals non-specified but chiefly aluminium pig, 189; minerals non-specified but mainly asbestos, 116; fresh apples, 102; lumber, 78; train oils, 62; honey, 55; and wood products, chiefly plywood and pulp, 51.

Quantities and values of importations of the foregoing products and other principal commodities into Holland in 1939 are set out in the table subjoined with comparative figures for the preceding year:—

Imports of Canadian Products into the Netherlands

	1938		1939	
	M. Tons	Fl. 1,000	M. Tons	Fl. 1,000
Total, including items not listed	365,810	22,657	138,474	9,271
Fish and shellfish	50	30	37	23
Rendered animal fats	32	4	....	....
Oleomargarine (oleo oil), oleo and grease, stearine	4	1	5	2
Honey	57	14	320	69
Animal products, non-specified	823	93	366	60
Wheat	109,138	7,293	70,132	3,248
Maize	128,854	6,695	1,077	43
Rye	12,631	743	727	35
Barley	70,113	3,589	12,580	557
Oats	6,606	427	7,108	326
Cereals, non-specified; buckwheat	4,139	264	1,653	99
Peas, beans and other pulses . . . . .	....	....	2	....
Seeds (excluding vegetable and flower)	25	16	15	6
Vegetable seeds	1	1	....	....
Soya beans	11,027	708	17,699	1,146
Peanuts	206	18	....	....
Cocoa beans and offal thereof . . . . .	....	....	28	2
Fresh or dried semitropical fruit	17	2	....	....
Fresh fruit, other—apples	253	24	1,338	126
Dried fruit	1	....	....	....
Potatoes . . . . .	....	....	41	5
Cattle feeds	436	30	604	40
Hemp, jute, flax and other vegetable fibres for spinning	5	2	....	....
Flowers, bulbs and nursery stock . . . . .	....	....	14	3
Vegetable products, non-specified	211	16	191	15
Ores (other than iron and manganese)	1,410	47	12,041	426
Saltpetre and fertilizers	1,484	92	....	....
Iron, steel and manufactures thereof	162	23	26	6
Copper, bronze and brassware	3,418	1,409	2,464	1,099
Lead and works thereof . . . . .	....	....	102	14
Metals, non-specified, metal alloys and pro- ducts thereof	29	21	213	210
Minerals, non-specified, and products thereof	1,217	119	1,995	235
Wheat flour	558	53	968	73
Husked, broken or crushed grains or malt Flour products, non-specified	4	2	6	3
Chemical products	535	52	181	13
Paints, dyes, lacquers and varnishes	36	7	1	1
Vegetable oils	81	18	127	39
Crude petroleum and miscellaneous deriva- tives . . . . .	....	....	26	4
Train oils	6	1	94	10
Wax, soap and oil products . . . . .	....	....	361	62
Lumber	4	3	4	3
Finishing woods	1,280	63	2,728	141
Woods, non-specified; pulpwood	128	4	....	....
Wood products	9,505	203	16	1
Hides and skins	471	83	1,079	134
Leather	52	18	16	9
Footwear	3	8	6	15
Leather products	8	9	6	7
Yarns	4	15	5	16
Textile products—sacks	3	3	....	....
Clothing and dressed furs	28	7	1,010	206
Wallboards	4	21	5	26
Glass and glassware	478	66	498	69
Paper and paper products . . . . .	....	....	2	....
Printed matter	19	8	21	9
Leaf tobacco	2	1	3	2
Spirits	2	1	39	23
Foodstuffs, non-specified . . . . .	....	....	6	7
Vehicles	26	10	19	9
Implements and agricultural machinery . . . . .	....	....	1	1
Tools	41	37	32	47
Instruments and parts	1	1	....	....
Lamps	5	24	5	28
Products of rubber and balata	1	3	....	....
Miscellaneous	157	215	429	514
	12	39	3	5

NETHERLANDS EXPORTS TO CANADA

According to figures of the Dominion Bureau of Statistics, goods brought into Canada from Holland during 1939 showed an increase from \$3,756,000 in 1938 to \$3,796,000, amounting to \$40,000 or just over one per cent.

Netherlands trade returns, on the other hand, indicate a decline of approximately 9 per cent in the value of shipments to Canada. These fell off from fl.6,515,158 in 1938 to fl.5,910,858, a decrease of fl.604,300. The volume of goods shipped to the Dominion declined more appreciably—from 84,249 tons in 1938 to 32,263 tons in 1939—a drop of 51,986 tons or almost 62 per cent. This is attributed mainly to there being no coal shipments to Canada, which in the previous year had amounted to 32,857 tons, and also to a sharp falling-off in shipments of vegetable oil and fertilizers.

As shown in the appended table listing principal commodities exported from Holland to the Dominion, export values for the two items flower bulbs and nursery stock and binder twine, each of which account for more than a million guilders, and for the item artificial silk yarns at 607,000 guilders, together account for over 50 per cent of the value of all Netherlands goods exported to Canada. Paints and varnishes, potato flour and dextrine, chemical products, unframed paintings and prints, and rags and waste follow in descending order of value. Medicines, vegetable oils, piece-goods, husked rice, cocoa powder and chocolate, seeds, glassware, and fish complete the list of commodities exported to a value of more than fl.50,000 (\$24,500) during 1939.

Particulars of fertilizer shipments to Canada are not available from the Netherlands trade returns. According to figures of the Dominion Bureau of Statistics, however, imports into Canada appear to have decreased considerably, superphosphate alone falling off from 409,000 hundredweights (\$208,000) for the first nine months of 1938 to 316,000 hundredweights (\$136,000) for the corresponding period of 1939. Blast furnace slag and crude potash, which were imported to the value of \$18,000 and \$26,000, respectively, during January-September, 1938, are not shown among imports from Holland during the same period of 1939. Arrivals of miscellaneous compounded fertilizers advanced in value from \$12,000 to \$63,000 for the first nine months of 1939, but this is, of course, not sufficient to offset the declines mentioned above.

Exports to Canada of vegetable oils have declined substantially. From third place in Holland's exports to the Dominion in 1938 they dropped to tenth position in 1939. The value decreased from fl.579,000 in 1938 to fl.180,000, and the weight from 3,354 tons to 906 tons. Netherlands statistics do not specify the types of oil shipped to the Dominion, but according to the Canadian returns these were mainly as follows, 1938 imports being shown within parentheses: essential oils, \$11,000 (\$6,000); flaxseed or linseed oils, \$24,000 (\$46,000); palm oils, \$12,000 (nil); edible peanut oil, \$26,000 (\$12,000); edible soya bean oil, \$10,000 (\$5,000); soya bean oil for soap, \$8,000 (\$7,000); and miscellaneous oils, \$15,000 (\$4,000). There were no imports of crude peanut oil as against a value of \$371,000 for this grade in 1938. The total value of vegetable oils brought into Canada from Holland thus declined from \$435,000 in 1938 to \$108,000 for the year under review. There were no shipments in the latter months of 1939.

The Netherlands industry is principally dependent on raw materials from overseas and, as war measures limit the supplies of seeds which may be imported into Holland to the quantity necessary for domestic needs, the crushing plants' production will likely be much less in 1940, and supplies for shipment to Canada will be curtailed accordingly.

Details of Holland's exports to the Dominion during 1939, with comparative figures for the previous twelve months, are subjoined:—

Netherlands Exports to Canada

	1938		1939	
	M. Tons	Fl. 1,000	M. Tons	Fl. 1,000
Total, including goods not listed.. . . .	84,249	6,515	32,263	5,911
Live animals, non-specified	2	13	2	13
Fish and shellfish	504	83	311	52
Cheese	42	19	38	18
Animal products, non-specified	3	2	2	2
Milk products	8	3	10	2
Oats	40	2	406	13
Pulses	266	30	120	14
Seeds	468	123	411	92
Cocoa beans and offal thereof . . . . .	....	....	71	1
Preserved fruit	21	4	7	3
Fresh vegetables	39	1	25	1
Potatoes . . . . .	....	....	29	1
Preserved vegetables	335	42	387	42
Hemp, jute, flax and similar fibres . . . . .	....	....	1	2
Bulbs and nursery stock	2,227	1,153	2,330	1,241
Vegetable products, non-specified	375	46	291	28
Coal and coke	32,857	318	....	....
Iron, steel and products thereof	9	5	8	5
Copper and bronzeware	1	1	1	2
Zinc and zineware	13	3	20	4
Lead and products thereof	76	54	5	3
Other metals and products thereof	23	7	3	1
Minerals and products thereof	75	10	13	5
Husked, broken or crushed grain	305	31	1,236	107
Potato flour, dextrine and flour products	2,207	226	2,728	289
Chemical products	1,058	288	795	272
Medicines and patent foods	27	124	38	180
Paints, dyes and varnishes	2,318	258	3,401	362
Vegetable oils	3,354	579	906	180
Train oil	4	1	....	....
Soap products	65	10	10	3
Woodenware	5	4	6	2
Furniture	2	2	....	....
Hides and skins	27	13	32	20
Leather	2	17	....	....
Footwear . . . . .	....	....	2	4
Yarns, artificial silk	363	427	521	607
Binder twine and cordage	4,710	1,282	4,585	1,115
Textiles and piece-goods	108	192	97	157
Earthenware and porcelain	1	1	2	2
Bricks and other artificial stone	2	1	2	1
Glass and glassware	33	14	158	57
Paper and paper products	110	28	122	27
Printed matter	3	5	6	10
Cocoa and chocolate	513	84	509	90
Sugar	2	....	1	....
Manufactured tobacco	1	1	1	1
Spirits and methylated spirits	17	9	19	9
Beer . . . . .	....	....	7	1
Foodstuffs, non-specified	22	7	8	3
Vessels and aeroplanes . . . . .	....	....	3	5
Implements and machines	26	28	33	41
Instruments and parts	5	65	6	34
Manufactures of rubber and balata	1	1	3	3
Miscellaneous	18	33	16	214
Rags and waste	1,109	211	1,015	207

ENTREPOT TRADE

Rotterdam and other important Netherlands harbours have bonded warehouses where foreign goods may be stored before being entered for domestic consumption, forwarded to further destinations, or disposed of for ships' stores.

During 1939 a total of 598 tons of Canadian merchandise was placed in entrepot. Neither the total nor the individual value of the various commodities are available, the quantity of the different goods being as follows: train oil, 339 tons; feeding cakes, 104; honey, 50; apples, 48; metals, 36; wheat flour, 17; lobsters and other foodstuffs, 2 tons; and tobacco, 1 ton.

TRANSIT TRADE

This important feature of Netherlands commerce has been most adversely affected by the outbreak of hostilities in Europe. Not only is the barge traffic with Germany and Switzerland via the Rhine waterways interfered with, but the transfer of cargoes between ocean-going steamers on different routes now takes place in other ports.

Rotterdam is a transit harbour of considerable importance to Canada. During 1939 nearly 200,000 tons of Canadian goods were transferred there and re-forwarded, while almost 100,000 tons of foreign materials were despatched therefrom to the Dominion.

The appended table shows the chief Canadian products transhipped at Rotterdam during 1939; figures are given for quantities only, values not being available:—

Transit Traffic from Canada via Rotterdam, 1939

	Metric Tons
Pulpwood	150,377
Wheat	29,476
Fish oil	3,413
Scrap iron and steel	3,080
Wood n.o.p.	2,757
Ores	2,268
Lead	989
Breakfast cereals	847
Copper	681
Oats	442
Barley	106

Shipments of pulpwood, fish oil, ores, and metals would be mainly for Germany. The wheat and other cereals were destined chiefly for Switzerland, some going to Finland, Germany, Denmark, and Belgium.

UNITED STATES MAPLE SUGAR AND MAPLE SYRUP SITUATION

W. D. WALLACE, OFFICE OF THE CANADIAN TRADE COMMISSIONER

New York, May 7, 1940.—The 1940 maple sugar and maple syrup crop, harvesting of which has been under way only during the past few weeks, due to unfavourable weather conditions prevailing in the Eastern United States, is estimated to be close to the past ten years (1930-39) average, or about 22,500,000 pounds in terms of sugar. It is reported to be of the best quality. The carry-over from 1939 was very small and should make for a ready sale for all maple products this season. Field prices are slightly above those of last year and will no doubt be reflected in higher wholesale prices during 1940. As a result of a good local harvest, it is likely that import requirements from Canada will not be as great as in 1939.

PRODUCTION

The following table shows the United States production of maple sugar and maple syrup and the average price paid to the farmer for the years

1936 to 1939, as prepared by the United States Bureau of Agricultural Economics:—

United States Maple Sugar and Maple Syrup Production

	Sugar Made 1,000 Lbs.	Syrup Made 1,000 Gals.	Total Production as Sugar 1,000 Lbs.	Average Prices Sugar per Lb. Cents	Syrup per Gal. Dollars
1936..	985	2,403	20,209	26.7	1.44
1937..	1,047	2,508	21,111	29.0	1.60
1938..	1,078	2,772	23,245	28.3	1.61
1939*..	760	2,515	20,880	....	....

* Figures for 1939 are preliminary, and prices are not available.

NOTE.—One United States gallon of maple syrup is equivalent to eight pounds of maple sugar.

During the period 1936-39 the average number of trees tapped in the United States was about 11,430,000 per year, while the average annual production in terms of sugar was approximately 21,361,000 pounds. Production of maple sugar during the past season was one of the lowest on record, which was attributed to poor weather conditions for the harvesting of this product. The decrease in production was principally in Vermont, the largest maple sugar and maple syrup producing area in the United States.

PRODUCING STATES

For the years 1938 and 1939 the United States production of maple sugar was 1,078,000 pounds and 760,000 pounds, respectively, considerably under the 1928-37 average of 1,548,000 pounds. During 1939 Vermont produced 308,000 pounds of maple sugar as against 627,000 pounds in 1938, while New York State produced 290,000 pounds as compared with 260,000 pounds in the previous year. Combined supplies from the states of Vermont and New York made up approximately 80 per cent of the United States production of maple sugar.

Total United States production of maple syrup in 1939 was 2,515,000 gallons as compared with 2,772,000 gallons in 1938 and the 1928-37 average of 2,628,000 gallons. Production of maple syrup in Vermont for the past season amounted to 916,000 gallons as against 1,485,000 gallons in 1938 and the 1928-37 average of 1,002,000 gallons. On the other hand production in New York State in 1939 totalled 714,000 gallons as compared with 588,000 gallons in the previous year and the 1928-37 average of 736,000 gallons. For the State of Ohio, the third largest maple syrup producing area, production in 1939 amounted to 370,000 gallons as compared with 283,000 gallons in 1938 and the 1928-37 average of 337,000 gallons. Combined production of Vermont, New York and Ohio is approximately 75 per cent of the United States crop of maple syrup.

IMPORTS

In order to meet consumption demand for maple sugar and maple syrup, it is necessary for the United States to import large quantities of these products from Canada. Imports are principally of the commercial grade, for use in the tobacco, confectionery and blending industries.

The following table shows the United States imports of maple sugar and maple syrup from Canada for the years 1936 to 1939:—

	Maple Sugar		Maple Syrup		Total	
	Lbs.	\$	Lbs.	\$	Lbs.	\$
1936	6,206,384	982,691	304,850	46,279	6,511,234	1,028,970
1937	6,050,202	914,915	84,160	18,384	6,134,362	933,299
1938	3,945,601	62,798	38,489	8,672	3,984,090	71,470
1939*	9,622,000	1,564,000	2,646,000	242,000	12,268,000	1,806,000

* Figures for 1939 are preliminary.

During the period 1936-39, imports of maple sugar and maple syrup in terms of sugar have averaged approximately 7,224,000 pounds per year or about 25 per cent of the annual United States consumption.

The large decrease in imports during 1938 is attributed to the fact that the domestic production for that year was well above average. On the other hand, the large increase in imports from Canada in 1939 reflect the poor crop conditions in the United States during that year as well as the decrease in the import duty on maple sugar and maple syrup under the Canada-United States Trade Agreement, signed November 17, 1938, and effective January 1, 1939.

The variations in the ratio of imports of syrup to that of sugar have been due largely to changes in the respective rates of duty.

PRICES

As may be expected with a small carry-over of maple sugar and maple syrup the first prices offered are slightly above those prevailing in the previous season. This was the case this year, and field prices to the producers throughout the country for the 1940 crop have been announced as follows: fancy syrup, 12 cents per pound; No. 1 syrup, 11 cents per pound; No. 2 syrup, 10 cents per pound; and No. 3 syrup, 9 cents per pound.

Due to the lateness of the crop this year, wholesale prices have not been definitely set, but in the opinion of the trade there is no doubt that they will reflect the higher prices paid to the producers.

TARIFF RATES

Under the Canada-United States Trade Agreement of January 1, 1939, the United States rate of duty on maple sugar was reduced from 4 to 3 cents per pound, and the rate on maple syrup was reduced from 4 to 2 cents per pound.

FOREIGN TRADE OF CEYLON IN 1939

PAUL SYKES, CANADIAN TRADE COMMISSIONER

(One rupee is approximately equal to \$0.33 Canadian)

Calcutta, March 5, 1940.—It is generally agreed that Ceylon experienced a satisfactory business year in 1939. Some reaction from the recession in 1938 had been expected but the upward swing in trade and industry was greater than could reasonably have been anticipated and, although the abnormally favourable influence of the war had an important bearing on the year-end position, the Colony can still look back on a period of sound progress.

TEA

Of the three major products which form the basis of Ceylon's domestic and export business—tea, rubber, and coconuts—tea produced a larger cash yield in 1939 than in any year since production and exports have been controlled under international agreement. Despite a larger export quota, the volume of shipments was slightly less than in 1938, but the average export price per pound increased from 73 cents (Ceylon currency) to 82 cents, and the total value of exports reached the substantial sum of Rs.188,029,089. The average export price for the year of 76 cents was equal to that recorded in 1937 and considerably higher than the price for any year since 1933.

It is expected that the quota for exports in 1940-41 may be raised to 100 per cent of basic quantities and that such an extension of export facilities,

together with an anticipated increase in world demand and the undertaking of the United Kingdom Government to purchase a large part of Ceylon's production, will ensure satisfactory conditions in the immediate future.

RUBBER

The rubber industry also experienced a good year in 1939. The export quota had been seriously reduced in 1938, but was gradually raised towards the end of 1939, with the result that the year's exports increased in quantity by more than 9,000 tons and in value by more than Rs.22,000,000 to 60,243 tons and Rs.67,563,371, at which figures the high totals recorded in 1937 had almost been reached. The average price per pound for rubber exported during the year was 50 cents (Ceylon currency), which was the highest since 1933 and over three times the export price for that year.

Increased world demand for rubber appears assured and, in view of the Colony's ability to increase export shipments, as well as the upward trend in prices towards the close of 1939, the future of the trade is regarded as an encouraging one.

COCONUTS

The coconut industry in Ceylon differs from the tea and rubber trades in that production and export are free of all restrictions. During 1939, the industry had to cope with the damage experienced from a severe drought in March and April, which resulted in a reduction in exports of 15·8 per cent. The general level of export prices was, however, considerably higher than in 1938, and the net return from the trade in all main coconut products was Rs.28,038,034, or 3·1 per cent higher than in the previous year.

An important feature of recent business in coconut products has been a decline in exports of coconut oil and copra and a compensating increase in sales of desiccated coconut. Exports of oil and copra still make up over 75 per cent of the value of the trade, but the improvement in sales of desiccated coconut appears likely to give the industry a greater degree of stability than it has hitherto enjoyed.

NEW INDUSTRIES

Apart from the favourable trend in Ceylon's three main industries, important steps have been undertaken to encourage the establishment of several manufacturing industries and to promote the output of essential food-stuffs which have been imported from abroad in large quantities. The limitations of Ceylon's natural resources and her traditional dependence on returns from the export of tea, rubber, and coconut products render it essential that her trade should continue along the same general lines as at present, but the policy of encouraging the manufacture of various goods which are in universal demand and of stimulating the output of agricultural products must nevertheless be regarded as a sound one likely to ensure a continuance of the improving conditions which the Colony has recently experienced.

OVERSEAS TRADE

Ceylon's overseas trade during the calendar year 1939 showed a marked improvement over that of the previous year. Import values increased from Rs.235,529,101 to Rs.242,369,560, exports from Rs.284,822,779 to Rs.328,106,229, and total merchandise trade from Rs.520,351,880 to Rs.570,475,789. There was a comparatively small but encouraging improvement in imports but a large increase in exports, amounting to over Rs.43,000,000, and an improvement in the favourable trade balance from Rs.49,294,000 to Rs.85,737,000. The 1939 figures, which are very similar to those for 1937, indicate a decided trend towards the prosperous conditions experienced during that year, which had been generally conceded as the best business period since 1930.

Following is a statistical summary of Ceylon's overseas trade during 1939:—

Foreign Trade of Ceylon, 1938 and 1939

	1938 Rs.	1939 Rs.
Total trade	520,351,880	570,475,789
Imports	235,529,101	242,369,560
Exports	284,822,779	328,106,229
Balance of trade	+ 49,293,678	+ 85,736,669

TRADE WITH THE EMPIRE

Ceylon's foreign trade continues to depend to an important degree on supplies of British materials and on the demand for Ceylon products in other parts of the Empire. During the calendar year 1939, imports from Empire countries made up Rs.157,566,779, or over 65 per cent of the total value of commodity imports of Rs.240,930,697. Exports to Empire markets were valued at Rs.206,682,654, which was practically 68 per cent of the year's total of domestic exports of Rs.304,161,745. The above percentages show slight declines from the respective 1938 figures of 67 and 72. The latter were abnormally high, however, and the Colony's trade with the Empire during the year now under review can be regarded as having been satisfactorily maintained.

IMPORTS BY COMMODITIES

The net increase in the value of Ceylon's imports during 1939 as compared with 1938 was due to larger purchases of food, drink, and tobacco and of raw and semi-manufactured materials having offset a decline in those of fully manufactured products. In general the Colony's purchases of "grain and flour," which are comprised to a large extent of Indian and Burma rice, are the largest individual items of import, and in 1939 the value of the trade in rice alone increased from Rs.54,339,957 to Rs.60,534,363, this figure representing over 35 per cent of the value of total imports for the year. There was a substantial improvement in the coal trade as well as in the purchase of rubber and certain fertilizers, but in the case of most other groups of foodstuffs and raw or semi-manufactured materials very little change from the 1938 figures was recorded.

There was a generally downward trend in the purchases of fully manufactured commodities from abroad. With the exception of iron and steel products, machinery, and rubber manufactures, practically all the more important groups of these commodities showed moderate declines. Outstanding among them were electrical apparatus, cotton manufactures, and silk products, the first being purchased in unusually large quantities in 1938, while the trade in cotton piece-goods, although reasonably well maintained in volume, showed a decided decline in value. The trade in silk products, which is largely of Japanese origin, showed a heavy decline in comparison with 1938 figures.

The following table shows the 1938 and 1939 values of imports of the more important individual commodities:—

Imports into Ceylon of Important Commodities

	1938 Rs.	1939 Rs.
Rice	54,339,957	60,534,363
Furnace oil	9,379,941	8,741,585
Sugar, refined	7,802,693	8,361,408
Fish, dried or salted	9,526,985	8,032,232
Coal	6,103,002	7,570,102
Refined petroleum	6,084,640	6,543,533
Cotton piece-goods, dyed	6,775,487	6,083,901
Diesel oil	3,962,734	4,311,077

Imports into Ceylon of Important Commodities—Concluded

	1938 Rs.	1939 Rs.
Tea chests and fittings	4,380,003	3,766,144
Fish, Maldiva	4,068,789	3,367,381
Cotton piece-goods, printed	3,984,424	3,348,148
Motor cars	3,124,463	3,102,809
Chillies, dried	2,645,908	3,039,828
Sulphate of ammonia	3,710,782	2,855,701
Cotton piece-goods, bleached	3,477,101	2,837,080
Onions	2,053,413	2,075,160
Miscellaneous iron and steel manufactures	1,474,869	2,071,936
Rubber	1,326,984	2,022,610

IMPORTS BY COUNTRIES

With further reference to Ceylon's trade with the Empire, it is noteworthy that the small decline in the year's purchases of British goods was largely due to decreased purchases from the United Kingdom, the Maldiva Islands, and South Africa. These were offset to some extent by improved trade with Burma and Canada. Import values for Thailand and Sumatra showed substantial improvement, while those for Java and China also increased. The principal declines recorded were for Iran, Japan, Belgium, and France.

The following table gives the principal details of Ceylon's import trade by countries of origin during the years 1938 and 1939:—

Imports into Ceylon by Principal Countries

	1938 Rs.	1939 Rs.
India	51,275,948	52,154,808
United Kingdom	48,623,567	45,033,710
Burma	34,905,189	37,369,252
Japan	15,404,828	14,161,751
Sumatra	9,341,688	12,527,658
Thailand	6,537,908	10,968,325
Java	7,807,795	8,947,472
Australia	6,121,414	6,142,206
United States	5,107,316	5,959,709
Iran	7,626,371	5,694,985
Other	42,779,077	43,409,684
Total	235,529,101	242,369,560

EXPORTS BY COMMODITIES

As noted in previous reports on the foreign trade of Ceylon, the Colony's export trade is comprised to a great extent of items classed as "food, drink, and tobacco." Such goods normally account for some two-thirds of total export values and in 1939 they slightly exceeded this proportion, the respective figures being Rs.203,784,474 and Rs.304,161,745. Practically the whole of the former value represents tea shipments, which were valued at Rs.188,029,089, an increase of Rs.15,500,000 over the 1938 figure.

With regard to other commodities, the exports of rubber showed a marked improvement over those of the previous year, the value of exports increasing from Rs.46,730,665 to Rs.69,797,767. Foreign business in desiccated coconut, plumbago, coir fibre, cinnamon quills, and coconut shell charcoal also improved, while there were slight declines in sales of coconut oil, copra, and coconut poonac. Altogether the year's commodity exports reflected an important improvement over those of 1938, with the tea and rubber industries sharing in this progress to a considerably greater degree than the coconut industry which is third in importance among Ceylon's important economic activities.

Details of exports during 1938 and 1939 by principal commodities are as follows:—

Exports from Ceylon by Principal Commodities

	1938 Rs.	1939 Rs.
Tea	172,420,857	188,029,089
Rubber	46,730,665	69,797,767
Coconut oil	14,057,087	13,285,581
Furnace oil	8,453,876	7,976,282
Desiccated coconut	4,399,494	7,131,917
Copra	8,782,865	7,102,430
Coal	4,210,931	6,334,423
Plumbago	1,747,451	3,407,135
Diesel oil	3,154,345	3,058,832
Coir fibre	1,312,120	2,422,091
Coconut poonac	2,694,096	2,013,302
Cinnamon quills	1,506,001	1,881,195
Raw cacao	1,430,692	1,506,944
Coconut shell charcoal	823,781	1,361,887
Citronella oil	1,182,031	1,230,800
Arecanuts	1,031,133	1,190,731

EXPORTS BY COUNTRIES

The 1938 decline in exports of Ceylon products to Empire countries was corrected during 1939, when the value was almost as large as in 1937. Exports to non-British countries showed a similar trend. Empire markets continue to consume over two-thirds of Ceylon's exports, the United Kingdom alone accounting for practically half of the 1939 export values.

Apart from the improved volume of overseas trade recorded during the past year, the outstanding feature was a remarkable improvement in exports to the United States. The 1938 figure of exports to this market (Rs.33,218,746) increased in 1939 to Rs.60,280,119, and made up approximately 20 per cent of the total. This important development was based on the improved demand in the United States market for crude rubber, the value of exports of this commodity alone having appreciated from Rs.23,000,000 to Rs.47,000,000. Tea exports also contributed to this development, increasing from Rs.9,045,484 to Rs.12,796,219. While Ceylon's exports to the United Kingdom showed a substantial increase of over Rs.9,000,000 and those to Canada, India, South Africa, and New Zealand improved considerably, exports to Australia fell off to an unusual extent. In the case of non-British markets, apart from the United States, noteworthy improvement was recorded in exports to France, Japan, Egypt, and the Argentine Republic as compared with declines in business with Germany, Belgium, Italy, and Holland.

The principal features of Ceylon's export trade by countries in 1938 and 1939 are shown in tabular form herewith:—

Exports from Ceylon to Principal Countries¹

	1938 Rs.	1939 Rs.
United Kingdom	141,764,642	150,909,968
United States	33,218,746	60,280,119
Canada	9,187,106	11,842,666
India	9,017,271	10,702,861
South Africa	8,206,864	10,291,949
Australia	10,872,131	9,807,580
New Zealand	6,418,380	7,916,463
France	4,466,304	6,290,185
Egypt	3,858,150	4,655,936
Belgium	4,229,014	3,127,821
Italy	3,904,284	3,071,933
Other	28,391,630	25,264,264
Total	263,534,522	304,161,745

¹ Exclusive of re-exports.

TRADE WITH CANADA

There was an important increase in the value of Ceylon's trade with Canada in 1939 as compared with 1938. The total value of last year's trade (Rs.12,907,679) exceeded the 1938 figure of Rs.9,824,571 by the large margin of Rs.3,083,108 and, although Canada remains one of the less important sources of the Colony's imports, it has regained third rank among its export markets. The value of Ceylon's imports of Canadian products increased from Rs.637,465 in 1938 to Rs.1,065,013 in 1939, at which figure they are believed to have been higher than in any previous year. Exports to the Canadian market stood at Rs.11,842,666, which represents a substantial increase over the 1938 figure of Rs.9,187,106.

The disparity between the value of imports into Ceylon from Canada and of exports from Ceylon to the Dominion still remains extreme. As indicated by the foregoing figures, the ratio in 1939 was more than 11 to 1 in Ceylon's favour, but this position was still a more satisfactory one than in various preceding years when the value of the Colony's exports to the Canadian market had been more than twenty times that of imports. The abnormal balance in the trade between the two countries is an inevitable result of Ceylon's economic and trade position, substantial quantities of her exports being in keen and regular demand in Canada, whereas the bulk of her import requirements continues to be drawn from adjacent countries and from the United Kingdom.

EXPORTS TO CANADA,

Of the total value of Ceylon's exports to Canada in 1939 of Rs.11,842,666, tea shipments accounted for Rs.7,319,082, the Canadian market ranking with South Africa, Australia, and New Zealand as Ceylon's secondary outlets for this important crop. Rubber exports were valued at Rs.3,055,754, Canada ranking fourth among Ceylon's markets for this product. The coconut oil trade reached a value of Rs.1,150,046, exports to the Dominion being the third highest for the year. Other goods shipped to Canada comprised cacao (Rs.181,273), desiccated coconut (Rs.101,850), cinnamon quills and chips (Rs.36,398), and small quantities of citronella oil, plumbago, and papain, and miscellaneous other articles.

The improved values for exports of tea, rubber, desiccated coconut, and cinnamon, amounting to some Rs.3,000,000, combined with a decline in the value of coconut oil shipments valued at Rs.400,000, resulted in a net increase for the year of Rs.2,600,000.

IMPORTS FROM CANADA

Import trade from Canada increased in value from Rs.637,465 in 1938 to Rs.1,065,013 in 1939. The business was characterized by numerous decreases in the value of imports of commodities which are customarily supplied from Canada, but these declines were more than made up by revived business in several other articles and by substantial trade in two items which have seldom been imported from Canadian sources.

The trade in motor cars, which for many years has formed the mainstay of Ceylon's imports from Canada, was maintained at practically the same level as in 1938. The Colony's imports of commercial vehicles were, however, far below those of the previous year and considerably less than half the 1937 figures. Canada's share of this business has suffered to some extent from declining demand, but the drop in sales during 1939 was much more severe than was experienced by the United States and the United Kingdom, the other principal sources of supply. Declines of more than ordinary importance were also recorded in the case of toilet soap, photographic materials, cereal foods, typewriters, clocks, canned fish, tires and tubes, and frozen fish. This trend

can be ascribed to some extent to the dislocation of trade occasioned by the war and to the imposition by the Ceylon Government of restrictions on imports of Canadian products. There were at the same time encouraging increases in the value of imports of evaporated milk, barbed wire, canvas belting, machinery, batteries, and certain cotton manufactures. The feature of the year's business, however, was the sale of a large quantity of railway sleepers and the introduction of business in newsprint paper. The trade in these two typically Canadian products was alone almost as valuable as that done in all commodities in 1938.

The following table gives details of imports into Ceylon from Canada during the calendar years 1938 and 1939:—

Imports into Ceylon from Canada

	1938 Rs.	1939 Rs.
Railway sleepers . . . . .	.....	476,455
Motor cars	100,998	102,998
Printing paper . . . . .	.....	53,995
Toilet soap	73,352	53,344
Motor trucks and buses	106,527	46,767
Parts for motor vehicles	45,180	40,848
Evaporated milk	22,383	33,895
Photographic materials	39,142	28,691
Cereal foods	31,772	27,281
Barbed wire	9,660	22,943
Canvas belting	1,754	20,795
Typewriters	27,496	17,477
Miscellaneous machinery	9,186	13,832
Clocks	30,782	13,628
Miscellaneous foodstuffs	14,354	12,539
Canned fish	22,480	10,876
Silk hosiery	9,665	10,465
Rubber tires and tubes	18,657	9,653
Frozen fish	11,587	7,856
Batteries	2,900	6,800
Patent medicines	7,726	6,292
Paints and colours	7,326	5,519
Miscellaneous cotton manufactures	1,098	5,031
Other	43,440	37,233
Total	637,465	1,065,013

The current outlook for Canadian exports to Ceylon is poor. Import regulations prohibit business in many articles in which small if regular trade has been carried on for many years past, while in the case of others the difficulty of arranging quotas and obtaining licences forms a serious obstacle to normal transactions between importers and agents and their Canadian suppliers. Unless these regulations are abolished or amended, Canadian exports to Ceylon during 1940 will show a considerable decline from those of the past year.

ECONOMIC CONDITIONS IN VENEZUELA

H. W. BRIGHTON, CANADIAN TRADE COMMISSIONER

Panama City, April 26, 1940.—The war in Europe is beginning to have an adverse effect on conditions in Venezuela. This country counted on marketing all her surplus coffee production in Germany this year. That outlet is now closed, and large stocks of coffee are in storage awaiting markets elsewhere. Venezuelan petroleum is practically all refined in the Dutch West Indies, and the refineries there cannot ship at the same rate as before the outbreak of war. The net result is that, with exports of the two principal products of the country greatly reduced, Venezuela is experiencing difficulty in obtaining foreign exchange. Consequently, whereas payment for merchandise was up to a

couple of months ago fairly prompt, there is now a delay of about a month after the receipt of goods, and there are no signs that this period will be reduced in the near future. The bolivar, the Venezuelan currency unit, is still officially pegged at 3·19 bolivares to the United States dollar.

Venezuela has not experienced any difficulty in marketing this year's cocoa crop, which has moved out rapidly at around 46 bolivares per 50 kilos (110 pounds), including the export premium of 15 bolivares. The cocoa yield is sufficient to take care of home consumption and leave an export surplus of about 39,000,000 pounds. As stated above, the coffee market has been inactive. Limited sales in March realized 50 to 51 bolivares per 46 kilos (101·2 pounds), including the export premium of 22 bolivares. Approximately 544,000 acres of land are devoted to coffee, with an average annual production of 123,000,000 pounds.

Another result of wartime conditions is the development of a tendency among importers in Venezuela, as in other South American countries, to seek sources of supply within the Western Hemisphere. Efforts are being made also to encourage trade between the South American countries. In this connection, in March, 1940, a line of Brazilian steamships extended their run to include Venezuelan ports. The United States has always been a large supplier to Venezuela, and now that there is an increased tendency to look to North America for products which formerly came from Europe, the Venezuelan Government is prepared to encourage this trade by extending certain concessions to steamship companies that open up new and direct routes. Canada is hampered in this respect in trading with Venezuela by not having a direct steamship service to Venezuelan ports and, until such time as this situation is remedied, Canada cannot take full advantage of the trade possibilities offered by this country.

Venezuela is rich in natural resources which await development, but, due to wartime conditions, any projected exploitation has been given a setback. The country, however, is generally in a sound position, and there is every reason to believe that an improvement in world conditions will bring about a reaction favourable to the country.

TRADE AGREEMENTS

The policy of the present Government is to negotiate trade agreements with other countries in an effort to bring about recovery from the temporary difficulties with which Venezuela is now faced. Agreements recently concluded with a number of countries were terminated by the war in Europe.

A trade agreement between Venezuela and the United States was entered into on November 6, 1939, effective December 16, 1939, with the object of promoting trade relations through the reduction and stabilization of existing import control regulations, but no assurances with regard to purchases were involved. The agreement is to remain in force, subject to certain special provisions, until December 15, 1942, and to continue indefinitely until six months after notice of termination has been given by either country.

This agreement is based on the principle of unconditional most-favoured-nation treatment, with reciprocal assurances of non-discrimination with respect to custom duties, import restrictions and foreign exchange control. The United States supplies about 50 per cent of Venezuela's total imports and, as the changes which were made in the tariff cover a wide range, this agreement should prove of material advantage to that country. United States exporters are also assisted greatly in their dealings with Venezuela and other Latin-American countries by the operations of the Export-Import Bank. However,

as far as the tariff concessions are concerned, since Canada enjoys most-favoured-nation treatment, Canadian products enter Venezuela on the same basis as those from the United States.

On August 8, 1938, a trade agreement was signed between Venezuela and France, and on October 31, 1939, it was extended until August 8, 1940. By the terms of this agreement, France accords to Venezuela a monthly quota of 7,000 metric quintals (770 tons) of coffee, while Venezuela in turn granted certain concessions on various French products.

On November 21, 1939, a decree was passed limiting imports of Portuguese products in 1940 to the value of Venezuelan exports to Portugal in 1938.

NEW BANKING LAW

On January 31, 1940, a new banking law was published in the *Gaceta Oficial*. The new law revised the existing legislation relating to banking operations in Venezuela and provided for the appointment of a Superintendent of Banks. It also created a body to be known as the National Banking Council, composed of a representative of each bank operating in Venezuela. One function of this council will be the election of directors to the Board of the recently-formed Central Bank of Venezuela.

ECONOMIC CONDITIONS IN COLOMBIA

H. W. BRIGHTON, CANADIAN TRADE COMMISSIONER

Panama City, April 22, 1940.—At the beginning of 1939 conditions in Colombia were favourable. Coffee was moving at a satisfactory price, gold production was increasing and the petroleum industry was expanding rapidly. Bank balance sheets were satisfactory, and the government finances at the end of 1938 had shown a surplus.

Subsequent developments, however, did not bear out the optimistic outlook. Prices of prime necessities began to rise in February, 1939, followed by an increase in those of all foodstuffs. There was a general protest on the part of the public, resulting in the authorities taking action to regulate prices. On the whole, however, internal conditions were satisfactory until the outbreak of war in Europe on September 3, 1939.

The declaration of war brought a sharp local demand for imported goods, especially textiles, hardware, and construction materials, and retail prices started to advance. On the other hand, coffee prices began to decline, and between October 20 and November 20 the price dropped approximately two cents per pound. When it is realized that a reduction of one cent per pound in the price of Colombian coffee at New York represents a loss of approximately \$4,000,000 to Colombia, the adverse effect on the national economy can be appreciated.

Favoured by a protective tariff, the secondary industries, especially textile mills, extended their operations. The pipe-line of the South American Gulf Oil Company, which runs from the Barco concession on the Venezuelan border to the Port of Covenas on the Atlantic, was completed in 1939, and will facilitate increased exports of petroleum during 1940 and subsequent years.

COFFEE

There was less optimism prevailing at the end of the year than at the beginning. Coffee is the most important item of export, and Colombia expected to ship 500,000 bags to Germany during 1940. With that country cut off by

hostilities, new markets will have to be found for this product. As other countries, notably Venezuela, also planned to market their crops, or a large percentage of them, in Germany this year, they likewise will be seeking other markets, so that competition will be keen and will tend to force prices downward, even though Colombian coffee is favoured on many markets on account of its high quality. Coffee prices have dropped about three and a half cents per pound since war began in Europe.

Total shipments in 1939 amounted to 3,879,978 bags as against 4,232,609 bags in 1938, a decrease of 8.3 per cent. Coupled with this decline in exports there has been, as referred to above, a decline in price which on a production of 4,000,000 bags of coffee represents a loss of approximately \$17,000,000. Last year Colombia exported 1,417,000 bags to the continent of Europe, of which 659,000 went to Germany, so that the loss of the German outlet, in addition to what will no doubt prove to be a decline in shipments to other European countries, is a serious factor in the national economy of Colombia.

SUGAR

The annual consumption of sugar in Colombia is approximately 1,000,000 bags. On the Atlantic coast harvesting begins in January, but, due to the unfavourable weather conditions towards the end of 1939, the sugar crop will likely fall short of last year's production, necessitating increased importation this year. The Cia. Distribuidora de Azucares controls all sales of sugar in Colombia and appears to be functioning satisfactorily. With an increase in the planting of cane, Colombia soon should be self-supporting in sugar. In general this industry is on a sound footing.

AGRICULTURE

The year 1939 was an unfavourable one for agriculture generally in Colombia; production was insufficient to meet local requirements, and prices rose considerably. The same unfavourable conditions have continued into this year, and there is at present a shortage of wheat and potatoes, due to drought conditions.

The Government is determined to improve agricultural methods in order to make the country less dependent on imports, and to this end large drainage and irrigation projects have been initiated with the object of improving the quality of Colombian products. At present a commission, composed partly of foreign experts, is engaged in an agricultural survey of the whole country. Each member is a specialist in his own line, and on the completion of their work a considerable amount of valuable data will be available.

The Colombian Government have also made provision for a revolving fund of 500,000 pesos for the purchase of fertilizers. Purchases will be made through the National Procurement Office. The fertilizer is to be sold to the farmers at cost, which is understood to be the c.i.f. price, and transportation will also be handled at cost.

It is estimated that the coast cotton crop will not exceed 575,000 arrobas (25-pound bales) for the crop year 1939-40 as compared with 745,000 arrobas for the previous crop year. This is due primarily to drought and other unfavourable conditions.

Cattle prices declined in January, due no doubt to the loss of the German market for hides and to the drop in the price of coffee, which in Colombia always affects cattle prices. Prices have, however, recovered somewhat with the prospect of increased sales to the Panama Canal Zone.

FINANCIAL CONDITIONS

It is customary for the National Banks to hold their semi-annual meetings during January, and in 1940 all showed satisfactory statements. Dividends were continued, but business was reported slow, with a drop in loans. The banking position was shown to be sound, and Colombian financial institutions are considered to be in a favourable position to meet almost any internal situation that may arise. However, due to the war there is a general feeling of uncertainty which is retarding new business ventures, especially construction. With a view to encouraging construction, the President of the Republic on March 7 authorized the commercial banks to make loans for this purpose up to a period of three years.

In February, 1940, it was announced that an arrangement had been reached with the United States with regard to the Colombian foreign consolidated debt, which is outstanding to the amount of \$45,000,000. The payment to be made this year is \$1,350,000 on interest account and \$400,000 amortization.

Since the beginning of 1940, stocks on hand of merchandise have been above normal and sales slow. Following the outbreak of war, large orders were placed, and deliveries from all countries with the exception of Germany have been fairly prompt and with few exceptions have been filled. The exceptions included orders for articles from countries like the United Kingdom, which have restricted or prohibited exportation. These excessive purchases and the reduction in coffee exports have caused a scarcity of foreign exchange, which resulted in more rigid regulation by the Exchange Control Board in February and the introduction of a method of allotting available exchange to pay for articles on a preferred list, the balance being made available for articles which were not on this list and in order of application by importers.

As stated above, while business conditions in Colombia are not as favourable as they were at this time last year, they are not sufficiently adverse to give rise to pessimism within the country. Gold production in January amounted to 55,939 ounces, which constituted one of the highest monthly records. It is reported that 68 oil wells are in production in the Barco concession, and the pipe-line recently completed has a capacity of 25,000 barrels per day, which can be increased if necessary. The national industries should benefit greatly as the result of wartime changes in trading conditions and, if some method can be found to assist the coffee industry, Colombia's economic position would be further improved.

INCOME AND PURCHASING POWER IN THAILAND (SIAM)

K. F. NOBLE, ASSISTANT TRADE COMMISSIONER

(One tical equals \$0.44 Canadian at current exchange rate)

Singapore, March 12, 1940.—Release of the annual report of Thailand's Ministry of Economic Affairs for the year ending March 30, 1939, makes possible a brief summary of public and private incomes and purchasing power in that country.

GOVERNMENT REVENUE

Government revenues are from five sources. Customs collections supply 70 per cent of the total, land revenues 17 per cent, and mining revenues 9 per cent. House and shop taxes and immigration fees represent part of the small remainder. The annual income from these sources amounts to approximately 40,000,000 ticals (Can.\$17,600,000), of which from 95 to 98 per cent is allocated each year for ordinary expenses, including sinking fund charges. The surplus is transferred to the treasury surplus account, which totals about

67,000,000 ticals (or, as it is considered, ordinary working treasury capital of 20,000,000 ticals and a reserve equal to approximately one year's normal revenue). Net currency in circulation amounts to 127,000,000 ticals with a currency reserve of 140,000,000 ticals, i.e. 110 per cent of the net circulation and 97 per cent of the gross circulation. Apart from the treasury reserve, there are no other liquid assets of a national nature.

PRIVATE INCOMES

The purchasing power represented by the individual earnings of Thai residents is in no way substantial. Although the exemption limit for the payment of income tax is only 2,400 ticals per annum, in the year covered by the report there were only 2,731 Thai nationals out of the total population of over 12,000,000 subject to the tax. Of these, only 94 had incomes ranging from 10,000 ticals to 20,000 ticals, 35 from 20,000 to 30,000 ticals, and 29 over 30,000 ticals. The greatest private income apart from the Privy Purse, was 39,000 ticals, or well under \$18,000 per annum.

In the year ending March 30, 1937 (B.E. 2479), which is the last year for which statistics are available, income tax revenues, including graduated surtax on all incomes above 12,000 ticals per annum, and income tax paid by non-Siamese residents, was about 1,400,000 ticals. Capitalizing this income at 3 per cent, which is an exceedingly low rate for the cost of money in Thailand, the aggregate of private fortunes paying income and super-tax did not exceed 46,000,000 ticals. As the majority of income tax payers are government officials and foreigners whose incomes are derived from salaries alone, the total of privately owned capital in Thailand must be considerably less than this figure. Moreover, such private capital is largely invested in real estate, and its liquidity is almost nil.

FINANCIAL PROBLEM

The report in question emphasizes that "in terms of monetary capital Thailand is a remarkably poor country" and that her financial problem is to acquire reserves of national wealth in a form readily available for use in meeting the capital needs of the country. The only obvious source from which such fund can be accumulated is in the margin between the production cost and the export value of Thailand's rice crop, on which over 85 per cent of the population depends directly for its livelihood. The margin has been estimated at 50 per cent of the gross export value and is at present divided between the up-country buyer, the transporter and the miller, all of whom are of Chinese nationality.

The foregoing statements serve to explain why Thailand is primarily a price market; also why Japan's exports to that country have been little affected by boycott measures on the part of Chinese mercantile interests in the country.

TENDERS INVITED

New Zealand

Copies of plans and specifications have been received from Mr. W. F. Bull, Canadian Trade Commissioner at Auckland, for equipment required by the Public Works Department, Wellington. These specifications are open for inspection at the Department of Trade and Commerce, Ottawa. Tenders should be addressed to the Secretary, Public Works Supplies and Tenders Committee, Wellington, in accordance with these specifications.

Particulars are as follows:—

Public Works Department.—Section 45, Christchurch District: roller shutter doors for power house (tenders close July 2, 1940); Section 66, Hamilton District: diversion tunnel gates for Karapiro Power Development (tenders close August 13, 1940).

TARIFF CHANGES AND TRADE REGULATIONS

United Kingdom

CHROMIUM COMPOUNDS SUBJECTED TO IMPORT LICENSING

Mr. Frederic Hudd, Chief Canadian Trade Commissioner in the United Kingdom, advises that the Board of Trade has added chromium compounds to the list of goods which may not be imported into the United Kingdom except under licence. The Order covers chromium acetate and sulphate, chromic acid, chromates and bichromates, and came into force on May 10. Goods despatched to the United Kingdom before that date do not require licences.

BACON (ADDITION OF BORAX) ORDER, 1940

The Animal Products Trade Commissioner in London writes that an Order has been made by the Ministry of Food entitled "The Bacon (Addition of Borax) Order, 1940," dated April 11, 1940.

The purpose of the Order is to regulate the use of borax in bacon and hams. Hitherto it has been illegal under the Public Health (Preservatives in Food) Regulations to import, manufacture or sell in the United Kingdom bacon containing borax, except for the purpose of re-export or use as ships' stores. Under the new Order, bacon containing borax may now be manufactured and sold. The manufacture of bacon containing borax, however, may only be carried out under the authority of a licence from the Ministry of Food. The importation of bacon containing borax by private individuals or firms is still prohibited.

The Order also permits the manufacture of articles of food in which bacon containing borax is an ingredient. Any article of food so manufactured, however, when offered for sale either wholesale or retail must either be plainly labelled to indicate that it contains borax, or a notice to that effect must be conspicuously exhibited at the place of sale. Such articles of food when sold either wholesale or retail must be labelled to indicate the presence of borax except in the case of sale at a retail shop, where a conspicuous notice is sufficient. No label or notice is required where such articles are sold in hotels, restaurants, etc., for consumption on the premises.

The Ministry wishes to emphasize that this Order is solely an emergency measure to meet the special conditions, as regards transport and storage of bacon, created by the war.

Australia

IMPORT CONTROL: THIRD LICENSING PERIOD

R. P. BOWER, ASSISTANT TRADE COMMISSIONER

Sydney, April 4, 1940.—In a memorandum dated March 28, 1940, the Department of Trade and Customs, Canberra, furnished particulars relating to the third licensing period under the Customs (Import Control) Regulations. Unlike the two preceding licensing periods, which were two-month periods, the third period is for three months—from April 1 to June 30, 1940. During this period, licences may be issued to individual importers of goods, the produce or manufacture of non-sterling countries, classified in categories A, B and C, up to 25 per cent of the value of the same goods imported during the twelve months ended June 30, 1939. As before, importers are not allowed to carry into the present licensing period unused allocations from previous licensing periods.

On April 1 a memorandum was issued which prohibited the importation of a number of additional items from non-sterling countries. The latest restrictions are expected to reduce imports by \$7,100,000, which is in addition to the \$11,540,000 which the restrictions introduced on December 1, 1939, were calculated to conserve. The Prime Minister has indicated that further restrictions may be expected in the future, although no important changes are anticipated before the end of the current licensing period.

As the purpose of the restrictions is to conserve supplies of non-sterling exchange, the Government has endeavoured to minimize their effects as much as possible by concentrating the reductions and prohibitions on those items which are either available locally or from sterling sources.

Of the items affected by the recent restrictions those of principal interest to Canada are set out below. It will be observed that percentage reduction applies to the value, the basis being the value of identical merchandise imported during the twelve months ended June 30, 1939. For example, if a local firm imported canned salmon to a value of £2,000 in the base year (twelve months ended June 30, 1939), the value of permissible imports during the three months ending June 30, 1940, would be 25 per cent of £2,000 reduced by 25 per cent, or £375. On the basis of Canada's trade during the base year, these latest restrictions represent a cut of approximately \$1,000,000 in imports from Canada.

The following items are now prohibited importation from non-sterling countries:—

Discs for agricultural implements; reaper threshers and harvesters, n.e.i.; reapers and binders (except replacement parts therefor); electric shavers; lifting jacks; fractional horsepower motors when imported for use in the manufacture of domestic washing machines; high tension ignition coils; cutlery, spoons and forks, knife sharpeners; kerosene room heaters; flooring and wall tiles; paperhangings and wallpapers; certain classes of publications; pencils of wood; and motor cycles.

The Government has stated that for the time being the importation of books would be permitted on the existing basis, but that the importation of periodicals would be prohibited except where the periodicals or publications reflected current opinion in the country of publication or dealt with scientific, learned or technical subjects.

The importation of the following products from non-sterling countries will be reduced by 50 per cent during the current licensing period:—

Buckles, clasps and slides; buttons (except buttons of pearl, trochus or other animal shell); carpets, floor coverings, etc. (except carriage mats of textile material and grass mats and matting); saddlebag in the piece; handkerchiefs; serviettes; cash registers; filament lamps, 6 volt and over; valves for wireless receivers; lamps, lampware, hurricane lamps and lanterns except those of the pressure-fed type; fancy goods such as card cases, brooches, serviette rings, beads, bangles, studs, sleeve links, tie clips, etc.; articles for games, other than those completely prohibited; toys; clocks, n.e.i.; pedometers; pocket counters; wrist watches and cases; rubber syringes, enemas, etc.; rubber manufactures of various kinds; manufactured stationery; penhandles; fountain pens; pens, pencils, etc., in fancy boxes; fancy pencils; military, band and orchestral musical instruments; musical instruments n.e.i.; metronomes, musical boxes, etc.; vacuum cleaners of the household inside-bag type; and cameras, other than for commercial purposes.

The importation of the following products from non-sterling countries will be reduced by 25 per cent during the current licensing period:—

Canned salmon, sardines, kippersnacks and herrings; sewing-machine heads (household type); typewriters, complete or substantially complete, imported in an assembled or unassembled condition; mowers (except replacement parts therefor); oil or spirit heating lamps, other than kerosene room-heaters; and elastic.

In addition, the Government has indicated that, as from July 1, 1940, the importation of electric warning devices (audible), and shock absorbers (except for replacement purposes) from non-sterling countries will be prohibited.

FURTHER MODIFICATIONS

A report on certain relaxations in the Australian Import Control Regulations was published in *Commercial Intelligence Journal* No. 1890 (April 20, 1940), page 604. A number of additional modifications have since been made, the following being of some interest to Canada:—

Gramophone Records.—A limited number of gramophone records may be excepted from the regulations if they comply with the following:—(a) that they are imported solely by Australian manufacturers of gramophone records; (b) that only one copy of each recording is imported; and (c) that the records so imported are clearly labelled "Samples only, not for sale."

These sample records are imported for the purpose of determining whether the recordings are suitable for subsequent manufacture in Australia.

Dry Colours Containing Chromium.—In view of the temporary difficulties experienced in obtaining requisite supplies of such colours, importers for the time being may obtain licences to the extent of one-third of the value for duty of dry colours containing chromium which were imported from the United Kingdom during the base year. As the position of local and sterling suppliers is expected to improve, this concession will probably be only temporary.

Lamp Lenses and Moulded Running-Board Mats.—Although both these items are listed in category D, they are being treated temporarily as though they were in category C.

Motor Vehicle Replacement Parts for New Model Vehicles.—Licences will be issued for category D motor vehicle parts peculiar to new model cars, where the parts are of a new type not interchangeable with parts for previous model cars and the quantities are not abnormal. The amounts under such licences are debited against quotas established under the group licensing system.

Newsprint.—Some time ago importers of newsprint were authorized to use their purchases from the United Kingdom for purposes of establishing their base year quotas for present purchases from non-sterling countries. It has now been decided to treat newsprint on order in the United Kingdom at the time the restrictions were first introduced as if it had been on order in Canada.

Hat Braids: Covered by Tariff Item No. 106(C).—In view of the seasonal nature of these goods, it has been decided that importers may be permitted to place orders for hat braids covered by tariff item 106(C) with overseas suppliers to the extent of 75 per cent by value of base-year importations. Unabsorbed allocations, where necessary, may be carried forward from one licensing period to another.

Tractors and Parts Thereof.—In order to meet the requirements of the trade, importers of tractors may be permitted to allow their quotas for the first three licensing periods to accumulate. Licences issued in respect of tractors may cover tools and other equipment normally imported with tractors other than goods graded in Category D.

Hoods, Other than of Felt: Covered by Tariff Item 114(G)(1).—In view of the seasonal nature of the goods, it has been decided that importers may be permitted to place orders for hoods covered by tariff item 114(G)(1) with overseas suppliers to the extent of 75 per cent by value of base-year imports. Unabsorbed allocations, where necessary, may be carried forward from one licensing period to another.

In addition to the foregoing concessions, the following items are exempted, until further notice, from the provisions of the Import Control Regulations:—

Chromium salts, chromium oxide, and chromic acid; pulp for the manufacture of paper and boards; aluminium blocks, cubes, ingots, scrap and granulated; aluminium alloy blocks, ingots and pigs; aluminium angles, bars, pipes, plates, rods, sheets, strips, tees and tubes not further manufactured than plated, polished or decorated; mercury (quicksilver); needles and other parts for knitting machines; porcelain for spark plugs; X-ray tubes; parts of aeroplanes and parts of aeroplane engines, but not including complete engines, batteries, switches or spark plugs.

A further concession has been granted by allowing importers to group certain tariff items together for licensing purposes. Particulars are on file at the Department of Trade and Commerce, Ottawa, and are available to interested persons and firms.

INTERPRETATION OF THE WORDS "IMPORTED INTO AUSTRALIA"

To avoid any misunderstanding regarding this term the authorities have issued the following definition: "Goods will be deemed to be imported on

the date they are brought into their port of destination for the purpose of being there discharged."

SALES TAX INCREASED TO 8½ PER CENT

Information has been received that, effective May 3, the sales tax in Australia was increased from 6 per cent to 8½ per cent. This tax applies both to domestic and imported goods (with specified exemptions), and is levied in the case of imports on the dutiable value (in Australian currency) plus ordinary customs duty and primage duty, the sum of these being increased by 20 per cent thereof.

New Zealand

IMPORT LICENSING FOR SECOND HALF OF 1940

With reference to the article in *Commercial Intelligence Journal* No. 1890 (April 20, 1940), concerning New Zealand import licensing for the second half of the year 1940, a complete statement of the percentage reductions to be made in imports as compared with the second half of the year 1938, the basic period, has been received from the Canadian Trade Commissioner in New Zealand. The following table sets forth the treatment of various commodities which have figured prominently in Canadian exports to New Zealand:—

	Reductions United Kingdom and Crown Colonies Per Cent	Reductions Canada and Other British Countries Per Cent	Reductions Foreign Countries Per Cent
Wheat	Imports controlled by Government		
Fish, canned	100	100	100
Vegetables, canned	100	100	100
Soups	100	100	100
Salt	None	None	100
Confectionery	100	100	100
Calcium carbide	None	None	None
Hydrogen peroxide and colloidal sulphur . .	100	100	100
Sulphur; chloride of lime	Applications to be considered individually		
Drugs and chemicals, except hydrogen peroxide, colloidal sulphur and chloride of lime	None	None	None
Sodium chlorate	Applications to be considered individually		
Clothing	100	100	100
Women's silk hosiery	100	100	100
Hats, caps	100	100	100
Hat hoods, unblocked	None	None	100
Corsets and brassieres	100	100	100
Piece-goods, cotton, linen, silk, and artificial silk	None	Applications to be considered individually	
Oilcloths	25	100	100
Leather footwear	100	100	100
Canvas shoes with rubber soles	100	100	100
Canvas boots with rubber soles; goloshes and overshoes	None	50	100
Rubber heels, soles and knobs	None	100	100
Pneumatic tires and tubes	25	50	100
Hose, tubing or piping wholly of rubber . .	100	100	100
Rubber belting	None	None	100
Leather, sole	100	100	100
Lamps and lanterns, metal	None	None	None
Clocks	25	50	100
Dolls, toys	100	100	100
Newsprint in rolls over 10 inches wide . .	Applications to be considered individually		
Printing paper in sheets of size not less than 20 inches by 15 inches	None	50	50
Wrapping paper in sheets not less than 20 inches by 15 inches	None	50	100
Wrapping paper in sheets less than 20 inches by 15 inches	100	100	100
Pulp and paper board not less than 20 inches by 15 inches	Applications to be considered individually		

	Reductions United Kingdom and Crown Colonies Per Cent	Reductions Canada and Other British Countries Per Cent	Reductions Foreign Countries Per Cent
Pulp and paper board less than 20 inches by 15 inches	100	100	100
Paper hangings	None	50	100
Pens and pencils	50	100	100
Copper rods	Applications to be considered individually		
Brass in bars, rods	None	None	None
Aluminium in bars, rods	None	None	None
Copper plate and sheet	Applications to be considered individually		
Cast iron pipes, including rain-water, soil and similar pipes	None	100	100
All other cast or wrought iron piping, unscrewed	100	100	100
Wrought iron or steel, screwed; boiler tubes	Applications to be considered individually		
Wire, metal	Applications to be considered individually		
Barbed wire fencing	Applications to be considered individually		
Metal cordage	Applications to be considered individually		
Copper wire and cable insulated	Applications to be considered individually		
Iron, angle, tee, bar, bolt, channel, rod and girder	Applications to be considered individually		
Chains, metal	None	None	100
Bolts and nuts, black, and rivets $\frac{3}{8}$ -inch and over in diameter	None	100	100
Bolts and nuts, black, and rivets under $\frac{3}{8}$ -inch in diameter	None	None	100
Screws for wood	None	50	100
Iron nails exceeding 1 inch in length	100	100	100
Artificers' tools	None	50	50
Hay rakes, not hand	100	100	100
Cultivators; harrows; ploughs; drills; seed and fertilizer sowers or distributors	100	100	100
Harvesters, mowing machines, reapers	None	50	0
Engines, internal combustion	Applications to be considered individually		
Insulators	Applications to be considered individually		
Electric motors and generators	Applications to be considered individually		
Electric stoves	100	100	100
Washing machines	Applications to be considered individually		
Wireless apparatus	100	100	100
Batteries	100	100	100
Sparkling plugs	None	None	None
Typewriters	50	100	100
Cash registering machines	50	75	100
Adding and computing machines	50	50	75
Motor vehicles	100	100	100
Parts of motor vehicles, unspecified	33 $\frac{1}{3}$	33 $\frac{1}{3}$	33 $\frac{1}{3}$
Paints and varnishes	100	100	100
Lumber, rough sawn	Applications to be considered individually		
Veneers and plywood	Applications to be considered individually		
Woodenware except clothes pegs	100	100	100
Clothes pegs	None	50	100
Brushes	100	100	100

The following announcement was made by the New Zealand Minister of Customs in connection with the validity of licences:—

Licences for the third period (January-June, 1940), which normally would have expired on August 31 next, were to be regarded as extended until December 31, 1940. Likewise licences to be issued for the fourth period would cover the period January-December, 1940. This meant that licences both for the third and fourth periods would be regarded as covering the whole year and goods would be admitted under the licences up to December 31, 1940.

The question has been raised, whether the period covered by second period licences which would expire on June 30 next might be extended. Although the licences were issued originally for the period July-December, 1939, they were subsequently made valid until June 30, 1940. It was not proposed to permit importation under such licences after that date.

In cases where the goods concerned were of an essential nature, such as materials for industry, consideration would be given on request to the issue of a fourth period licence covering the value of the goods due to arrive after June 30 and any such licences would be considered in granting importers any further allocations for the fourth period. With

respect, however, to other classes of goods, importers should understand that the goods could not be admitted if they arrived after June 30, and steps should accordingly be taken either to ensure that the goods would arrive by that date or to cancel orders.

Information regarding the treatment accorded any other specific commodity may be obtained by interested Canadian exporters on application to the Department of Trade and Commerce, Ottawa.

Palestine

TARIFF INCREASES

Mr. Henri Turcot, Canadian Trade Commissioner at Cairo, reports that Palestine duties of 12 per cent ad valorem throughout the customs tariff schedule of 1937 have been raised to 15 per cent ad valorem, with effect from May 1, 1940. Other changes include apples and pears (formerly dutiable at 3 mills per kilo, or 60 cents per 100 pounds) increased to 5 mills per kilo (\$1 per 100 pounds).

Goods dutiable in the Customs Tariff and Exemption Ordinance No. 24 of September 1, 1937, at 12 per cent ad valorem, and which now become dutiable at 15 per cent ad valorem, include: Bacon and hams; sausages; fruit juices, unsweetened; fish paste; honey; cooked macaroni in tins; unspecified foodstuffs; raw fur skins; unspecified rubber manufactures; unspecified paper and paper manufactures; electric stoves; radios and parts; unspecified electrical goods and apparatus; unspecified iron and steel manufactures; oilcloth and linoleum; and manufactured goods not otherwise provided for in the tariff.

[The Palestine pound (1,000 mills) equals the pound sterling; one kilo equals 2.204 pounds.]

United States

IN TRANSIT SHIPMENTS OF DRUGS AND MEDICINES

Information has been received that the Collector of Customs at New York has issued an order to the effect that in transit shipments of pharmaceuticals must be accompanied by a list of contents of each case, the trade name, and general formula of each article, as well as an additional statement as to whether or not the drugs, medicines, chemicals, pharmaceutical products, etc., contain a narcotic.

French Indo-China

TARIFF TREATMENT OF GOODS TRANSHIPPED AT HONGKONG AND SINGAPORE

Mr. P. V. McLane, Canadian Trade Commissioner in Hongkong, writes that, according to a notice published in the French *Journal Officiel* of January 12, 1940, goods of Canadian origin which are entitled to the minimum tariff when shipped direct to French Indo-China will, as a temporary measure and during the hostilities, still be accorded the minimum tariff even if transhipped at Hongkong or Singapore. Ordinarily transshipments at these ports would make the goods subject to the general tariff in French Indo-China.

The conditions under which the foregoing transshipments may be made without losing the benefit of the minimum tariff are: (1) before each shipment a direct bill of lading for a port in Indo-China has to be established in the country of origin; (2) the bill of lading must be endorsed at the port of transshipment by the French consular authority, who will certify that the goods have not undergone in that port any transformation or manipulation of such a nature as to change their identity; (3) goods of foreign (non-French) origin must be accompanied by a certificate of origin and, if duty has been paid in another French colony, the accompanying documents must bear an annotation indicating the lowest rate applicable to these products on their importation into that colony; and (4) the transshipment must be made on a French vessel except when this is impossible or where previous exceptions to this requirement have already been made.

EXCHANGE CONDITIONS IN EMPIRE AND FOREIGN COUNTRIES

South Africa

Writing under date of April 1, 1940, Mr. J. C. Macgillivray, Canadian Government Trade Commissioner at Cape Town, reported that an official announcement had been made bearing on the South African Emergency Finance Regulations. The announcement provided that on and after April 1, 1940, imports from non-sterling countries must normally be contracted for and paid for either in the currency of the Union or in the currency of the country from which the imports are obtained. For this purpose the following countries are to be regarded as sterling countries:—

(a) The United Kingdom, any part of His Majesty's Dominions outside the United Kingdom except Canada, Newfoundland and Hongkong, any territory in respect to which a mandate is being exercised by His Majesty's Government in the United Kingdom or in any Dominion, any British Protectorate or protected state.

(b) Egypt, the Anglo-Egyptian Sudan and Iraq.

Since the foregoing information was forwarded by Mr. Macgillivray, it is understood that the South African regulations have been further amended to the effect that payment for imports from non-sterling countries is permitted to be made in sterling as well as in South African currency or the currency of the country from which the imports are obtained.

Egypt

HENRI TURCOT, CANADIAN TRADE COMMISSIONER

Cairo, April 1, 1940.—Imports from Germany and countries in enemy occupation are prohibited entry into Egypt; otherwise the import trade is in no way restricted. Dealings in foreign exchange (except sterling) are controlled. Foreign exchange, however, is readily available in Egypt for ordinary business transactions with countries abroad.

In respect of payment for Canadian products imported into Egypt, the Exchange Control is willing to authorize the release of Canadian dollars or sterling. Where in the past it has been the custom to pay in United States dollars for such imports, the Exchange Control may consider the release of United States dollars; in practice United States currency is actually granted in the latter case. (Purchases of Canadian dollars are made on the London market at the British Exchange Control official rates on which are based the rates for Canadian dollars quoted in Egypt by the authorized banks.)

As regards Government adjudications, the Ministry of Finance Circular No. 11 of 1936 specified that tenders for contracts or supplies could be submitted only in Egyptian currency, or in sterling on the basis of £1 to 97·5 piasters.* Recently, however, many foreign contractors from non-sterling countries have insisted, as a result of the present international situation, on presenting their tenders on a United States dollar basis. With the view of encouraging the greatest number of bidders to participate in Government tenders so that the administration should secure the best possible prices, the Ministry of Finance has issued a circular under date March 19 authorizing the presentation of tenders in dollars, provided the contract is in Egyptian pounds or sterling calculated on the basis of the exchange rate in London on the day following the acceptance of the tender, £1 being regarded as equivalent to 97·5 piasters.

*The Egyptian pound equals 100 piasters

Anglo-Egyptian Sudan

Except for the prohibition of imports from enemy countries, the Sudan's import trade is not restricted.

Foreign exchange operations are regulated, but exchange is available for the carrying out of ordinary business transactions. In principle, imports into the Anglo-Egyptian Sudan from any country may be financed either in sterling or in the currency of the country exporting the goods and only exceptionally in other currencies, indicating that Canadian products, generally speaking, may be paid for in sterling or Canadian dollars.

Cyprus

Trading with the enemy is prohibited. In addition, the importation into Cyprus of certain commodities not consigned from, grown, produced, or manufactured in the British Empire (excluding Canada, Newfoundland and Hong-kong) is either absolutely prohibited or prohibited except under licence granted by the Registrar of Co-operative Societies at his discretion and subject to such terms and conditions as may be prescribed in such licence. Practically all commodities exported from Canada to Cyprus are affected, some being included in the first list (importation absolutely prohibited), others being comprised in the second list (importation subject to licence). (Copies of the two lists of goods are on file at the Department of Trade and Commerce, Ottawa.)

There are no restrictions in Cyprus as regards exchange transactions with the countries in the sterling bloc; but dealings in foreign exchange (all currencies except sterling) with countries outside the sterling group are not permitted, except in very definite instances, e.g. normal commercial transactions.

Imports into Cyprus from countries not in the sterling bloc may be paid for in sterling or in the currency of the exporting country. There is the strongest objection to payment in any foreign currency other than the currency of the exporting country. It follows that Canadian imports may be paid for in sterling or Canadian dollars, but not in other currencies.

Palestine

Imports from enemy countries are prohibited. In addition, the importation into Palestine of a wide range of commodities, comprising the bulk of the merchandise figuring in the country's ordinary commerce, is not permitted except under licence. (Information regarding the products involved may be obtained from the Department of Trade and Commerce, Ottawa.)

Exchange transactions with the countries in the sterling bloc are unrestricted. In respect of other countries, foreign exchange (all currencies except sterling) may be made available only in certain cases, including normal commercial transactions.

Imports into Palestine from countries outside the sterling bloc, including Canada, may be paid for in sterling or in the currency of the exporting country. The practice of paying for imports in any foreign currency other than that of the exporting country is not encouraged and is only allowed in exceptional cases. Imports from Canada may, therefore, be paid for in sterling or Canadian dollars and only exceptionally in other currencies. It is reported that import licences are more easily obtained when the goods are to be paid for in sterling.

Syria and the Lebanon

Imports from France and French territories are unrestricted. Those from foreign countries are prohibited except under licence. Licences are valid for four months and are not transferable. No licences are issued for goods originating in enemy countries.

Exchange transactions with France and French territories are practically unhampered. In principle, payment for goods imported from countries other than those included in the sterling bloc may be effected only in French francs, and import permits are granted only if the import application calls for French francs and is marked "payable by crediting to foreign account in French francs." In exceptional cases other currencies may be authorized, but so far as dollar exchange (United States and Canadian) is concerned, it is officially reported that applications are being refused and will be refused for an indefinite period.

Iran

No orders may be placed abroad by Iranian merchants without having obtained previously a permit, known as an "approval of order," from the Ministry of Commerce. The "approval of order" is for the purchase and importation of goods within the yearly quota list (copy of which is on file at the Department of Trade and Commerce, Ottawa). Goods for which the "approval of order" has been obtained, have to be ordered within three months of the date of issue of the authorization. Further, the goods are required to reach the Iranian Customs and be cleared within one year. Authorization will cease to be valid if the goods fail to reach the customs within the prescribed period.

The importer may present his "approval of order" to the authorized banks (Imperial Bank of Iran and Mellié Bank) and ask for the remittance to the foreign supplier of 25 per cent of the value of the order. The remainder may be applied for as soon as the shipping documents are in the possession of the importer. Except when special permission has been granted or imports are for government account, shipping documents must be sent through one of the authorized banks, and it is advisable that they be released only against payment of the remainder of the purchase price in the stipulated currency, preferably sterling or United States dollars owing to scarcity of Canadian dollar exchange in Iran.

The "approval of order" is proof that the necessary exchange will be available for the proposed import transaction, and prior to shipping goods to Iran Canadian exporters should make certain that the "approval of order" has been obtained. They will be well advised, therefore, to demand an advance remittance of 25 per cent. This remittance is an indication that the "approval of order" has been granted, and is a safeguard should the goods have to be re-shipped.

It would appear that Canadian products imported into Iran may be paid for in pounds sterling, sterling bloc currencies, and other foreign currencies not subject to exchange control. In particular, they may be paid for in United States currency; but all remittances from Iran are subject, of course, to the existing Iranian Government exchange and trade regulations.

Iraq

There are no restrictions in Iraq regarding the currencies in which imports may be paid for. The local British banks, however, do not encourage import transactions in foreign currencies other than that of the country of origin of the goods.

Greece

HENRI TURCOT, CANADIAN TRADE COMMISSIONER

Cairo, April 1, 1940.—Import and exchange control is in force in Greece. Imports, classified accordingly, are restricted by quotas, licences, or prohibitions. Countries such as Canada, which have neither a clearing agreement nor an unfavourable balance of trade with Greece, are heavily penalized. (A list of commodities which may be imported is on file at the Department of Trade and Commerce, Ottawa.)

If the necessary documents (import licence, invoice approved by the Invoice Control Committee, customs certificate to the effect that the goods have reached a Greek port, bill of lading, and certificate of origin certified by a chamber of commerce or board of trade) are presented to the Bank of Greece, no difficulty or undue delay should be experienced by the Greek importer in obtaining exchange in payment for Canadian goods. Wheat is subject to special arrangements whereby letters of credit may be opened.

Before effecting shipment of goods, Canadian exporters should ascertain whether the importer has received permission to clear the goods concerned.

Bulgaria

Foreign trade and foreign exchange in Bulgaria are under the control of the National Bank. Import permits are issued on the basis of quotas or compensation, while foreign exchange is granted under certain conditions.

The quota system is actually applicable only to countries which are in straightforward clearing relations with Bulgaria. The number of such countries is now reduced to one, that is, Germany.

Trade with Canada may be conducted on compensatory trade lines only. In other words, in order to obtain the requisite amount of foreign exchange, the Bulgarian importer would have to export goods to Canada or purchase the exchange on the authorized compensation market from a firm which had already exported goods to Canada under a National Bank licence; the principle of compensatory trade being that exports must pay for imports, and the proportion of foreign exchange derived from exports to Canada which the exporter may dispose of on the compensation market depends upon the percentage of exchange deliverable to the National Bank. In principle, the foreign exchange accruing from exports to Canada should be devoted to the purchase of Canadian goods, in conformity with the terms of the compensatory trade agreement between the local firm and the National Bank; but in practice this prescription may not be adhered to strictly. In any event, a Bulgarian firm desiring to import Canadian goods would make certain that the necessary exchange is available and, having done so, would be able to pay cash against shipping documents either at port of shipment or at port of discharge. However, bearing in mind the acute shortage of "free" exchange in Bulgaria, Canadian exporters should satisfy themselves, prior to shipping to that country, that the Bulgarian merchant has definitely set aside the requisite amount of exchange for buying out the documents from the local bank.

In the absence of any specific agreement between the Bulgarian and Canadian Governments, the currency in which Bulgarian purchases of Canadian goods should be paid for would be a matter for agreement in each individual case. When arranging his compensation transactions, the Bulgarian importer would arrange with the National Bank the currency in which the transaction should be carried out.

The maximum premium payable on foreign exchange in Bulgaria is fixed by law at 35 per cent on the official (gold standard) rate of exchange for any given currency. Economic conditions, however, have rendered the legal rate of premium completely inoperative for all practical purposes and for the "free" currencies, including Canadian dollars. Importers have to pay at present a premium of nearly 100 per cent (35 per cent in the regular way and about 65 per cent clandestinely).

Roumania

Foreign trade and foreign exchange transactions are controlled in Roumania by the National Bank. Any imports of goods into Roumania may be effected only with an import permit. Import permits are valid for one month, but

that period may be modified by order of the Minister of National Economy. Import permits are not transferable.

Canadian products imported into Roumania can be paid for in any currency from the quota of 70 per cent freely negotiable exchange (proportion of exchange left at the free disposal of exporters), if invoiced from Canada. They can also be paid for with the 20 per cent quota of freely negotiable exchange, under the terms of the Anglo-Roumanian Payments Agreement, if invoiced by a United Kingdom firm.

Bolivia

S. G. MACDONALD, ASSISTANT TRADE COMMISSIONER

Lima, April 25, 1940.—Strict exchange control is in effect in Bolivia. Prior to the outbreak of war in Europe importers experienced great difficulty in obtaining sufficient foreign exchange to meet normal requirements; but with the greatly increased demand for tin on world markets since September last and the augmented quotas allotted to Bolivia for the past six months, there has been no serious drawback to the granting of exchange permits by the Exchange Control Commission for all necessary imports other than luxuries. On October 1, 1939, a new law was put into effect modifying the far-reaching exchange control laws of the previous June 7 and July 7. By the latter, exporters were required to turn over 100 per cent of all foreign exchange obtained to the Central Bank. The new law reduced this percentage to 50 per cent for metals and other products and even lower for others. By decree of December 12, 1939, provision was made for setting up a reserve fund to meet future obligations at the conclusion of the hostilities in Europe. By this decree 12 per cent of all foreign exchange received from the obligatory sale to the Central Bank is to be placed in this fund. This percentage is to be increased in the proportion of an additional per cent for each rise at ten pounds sterling in the quotations for tin over the basic price of £230 per ton.

On January 1, 1940, a tax of 5 per cent on foreign exchange "sold to the public" by the Central Bank was made effective. The funds so created are to be used for the construction of schools and other educational institutions. During February the percentage of obligatory deposit in the Central Bank of the foreign exchange obtained from the export of hides was reduced from 40 to 30 per cent. According to the Peruvian press of March 20 an agreement was entered into between the Provisional President and the Minister of Finance modifying that part of the exchange control law of June 9, 1939, which allowed for the payment of only 5 per cent of dividends from mining companies in foreign exchange, and permitting mining companies to pay dividends in foreign exchange without limit. It is stated that some Bolivian government and financial circles consider this arrangement will act as an incentive to the introduction of new capital from abroad.

During the first quarter of the present year the official rate for the boliviano has been between 35.9 bolivianos and 38.07 bolivianos to the United States dollar. Curb market quotations have varied between 34 bolivianos and 42 bolivianos to the United States dollar. Exchange is fairly easily obtainable for normal requirements, other than for luxury articles, and the volume being received each month from overseas sales is holding up quite well as compared with the first few months of the war, when large stocks of tin on hand were exported. Canadian exporters, however, should continue to require cash with orders except from well-established firms, which have continued to meet their obligations in a satisfactory manner through all of the vicissitudes resulting from the drastic exchange control measures in effect in recent years. In dealing with such firms cash against documents is generally in order.

FOREIGN EXCHANGE QUOTATIONS: WEEK ENDING MAY 13, 1940

The Foreign Exchange Division of the Bank of Canada has furnished the following statement of the nominal closing quotations for the principal exchanges for the week ending Monday, May 13, 1940, and for the week ending Monday, May 6, 1940, with the official bank rate:—

Country	Unit	Present or Former Gold Parity	Nominal Quotations in Montreal Week ending May 6	Nominal Quotations in Montreal Week ending May 13	Official Bank Rate
Bulgaria.. . . .	Lev	.0072	.....	.....	—
Finland	Markka	.0252	\$.0200	\$.0213	4
France	Franc	.0392	.0216	.0200	2
Great Britain	Pound	4.8666			
	Buying		4.4300	4.4300	2
	Selling		4.4700	4.4700	—
Greece	Drachma	.0130	.0072	.0072	6
Hungary	Pengo	.1749	.3227	.3227	4
	Unofficial		.1951	.1951	—
Italy	Lira	.0526	.0559	.0559	4½
Yugoslavia	Dinar	.0176	.0250	.0249	5
Portugal	Escudo	.0442	.0373	.0356	4-4½
Roumania	Leu	.0060	.....	.....	3½
Spain	Peseta	.1930	.1013	.1013	4
Sweden	Krona	.2680	.2643	.2644	3
Switzerland	Franc	.1930	.2489	.2468	1½
United States	Dollar	1.0000			
	Buying		1.1000	1.1000	1
	Selling		1.1100	1.1100	—
Mexico	Peso	.4985	.1849	.1848	3
Cuba	Peso	1.0000	.....	.....	—
Guadeloupe	Franc	.0392	.0216	.0200	—
Jamaica	Pound	4.8666	4.4800	4.4800	—
Martinique	Franc	.0392	.0216	.0200	—
Other British West Indies	Dollar	1.0138	.9313	.9313	—
Argentina	Peso (Paper)	.4245	.3304	.3304	3½
	Free		.2531	.2514	—
Brazil	Milreis (Paper)	.1196	.0673	.0673	—
	Free		.0558	.0558	—
British Guiana	Dollar	1.0138	.9313	.9313	—
Chile	Peso	.1217	.0574	.0574	3-4½
	Export		.0444	.0444	—
Colombia	Peso	.9733	.6326	.6326	4
Peru	Sol	.2800	.....	.....	6
Venezuela	Bolivar	.1930	.....	.....	—
Uruguay	Peso	1.0342			
	Controlled		.7307	.7307	—
	Uncontrolled		.4323	.4305	—
South Africa	Pound	4.8666	4.4600	4.4600	3½
Egypt	Pound (100 Piastres)	4.9431	4.5800	4.5800	—
China (Shanghai)	Dollar	.....	.0515	.0517	—
Hongkong	Dollar	.....	.2374	.2199	—
India	Rupee	.3650	.3359	.3359	3
Japan	Yen	.4985	.2602	.2602	3.29
Java	Guilder	.4020	.....	.....	—
Thailand (Siam)	Baht (Tical)	.4424	.....	.....	—
Straits Settlements	Dollar	.5678	.5256	.5256	—
Australia	Pound	4.8666	3.5800	3.5800	3
New Zealand	Pound	4.8666	3.5900	3.5900	4

The Dominion Bureau of Statistics has supplied the following note:—

Official buying and selling rates set by the Canadian Foreign Exchange Control Board for sterling and United States funds remained unchanged during the week ended May 13 at \$4.43-\$4.47 and \$1.10-\$1.11, respectively. At New York, sterling free market rates, reflecting political and war manoeuvres, fluctuated erratically between \$3.37½ on the 7th and \$3.16 on the 10th, while the close at \$3.17 indicated a net drop of 24 cents on the week. Canadian funds in the New York market, paralleling sterling, declined 1½ cent to 82½ cents on the 13th. Montreal rates for the French franc eased from 2·17 cents on the 6th to 1·97 cent on the 10th, while the close at 2·01 cents was off 16 points. Among other European units, belgas dropped from 18·59 cents to 18·35 cents between May 6 and 9, when trading was suspended following the German invasion of the Low Countries. Florins were quoted at 58·92 cents on the 9th, when trading was also suspended for this unit.

TRADE OPPORTUNITIES ABROAD FOR CANADIAN PRODUCTS

The Trade Inquiries for Canadian products published below have been received since the publication of the last issue of the *Commercial Intelligence Journal*. Interested exporters may secure the names and addresses of the firms making these inquiries, together with further details regarding the commodities required, on application to the Director, Commercial Intelligence Branch, Department of Trade and Commerce, Ottawa, or—

Secretary, Board of Trade—

Saint John, N.B.
Halifax, N.S.
Quebec, P.Q.
Montreal, P.Q.
Toronto, Ont.
Chatham, Ont.

Guelph, Ont.
Kitchener, Ont.
Brantford, Ont.
Stratford, Ont.
Woodstock, Ont.
St. Mary's, Ont.

Portage la Prairie, Man.
St. Boniface, Man.
Winnipeg, Man.
Vancouver, B.C.
New Westminster, B.C.

Secretary, Chamber of Commerce—

Sherbrooke, P.Q.
Kingston, Ont.
Oshawa, Ont.
Belleville, Ont.

Peterborough, Ont.
London, Ont.
St. Catharines, Ont.
Hamilton, Ont.

Victoria, B.C.
Prince Rupert, B.C.

Windsor Chamber of Commerce, Windsor, Ont.

Commercial Intelligence Service, Department of Municipal Affairs, Trade and Commerce, Quebec.

Department of Industry, Brantford, Ont.

Industrial Commissioner, Stratford, Ont.

La Chambre de Commerce de Montréal, 25 St. James E., Montreal, P.Q.

Secretary, Canadian Manufacturers Association—

Toronto, Ont.
Montreal, P.Q.

Winnipeg, Man.
Edmonton, Alta.

Vancouver, B.C.
Victoria, B.C.

Director, Bureau of Industrial and Trade Extension, Department of Trade and Industry, Victoria, B.C.

Commodity	No.	Location of Inquirer	Purchase or Agency
Miscellaneous—			
Paper: Greaseproof, M.G.Kraft,			
Un glazed Kraft, M.G. Sulphite	368	Glasgow, Scotland.....	Purchase.
Paper, Toilet Tissue and Crepe.	369	Cairo, Egypt.....	Purchase and Agency.
Silver Foil.....	370	Rio de Janeiro, Brazil.....	Purchase.
Stainless Steel Strip for making			
pens; Bright Iron Hoops and			
Steel Ribbon for making Paper			
Clips.....	371-3	Shanghai, China.....	Purchase.
Wire: Round Mild Iron or			
Tinned Iron; Flat Tinned or			
Nickelled Stitching.....	374-5	Shanghai, China.....	Purchase.
Chains.....	376	London, England.....	Purchase.
Steel Boiler Tubes.....	377	Shanghai, China.....	Purchase.
Brass and Copper.....	378	Birmingham, England.....	Purchase.
Bolts and Nuts, Galvanized			
Roofing.....	379	Birmingham, England.....	Purchase.
Iron Pipes, Galvanized.....	380	Tel-Aviv, Palestine.....	Agency.
Iron Products.....	381	Tel-Aviv, Palestine.....	Agency.
Clothes Baskets.....	382	Bristol, England.....	Purchase.
Wooden Doors.....	383	Tel-Aviv, Palestine.....	Agency.
Douglas Fir.....	384	Tel-Aviv, Palestine.....	Agency.
Plywood.....	385-6	Tel-Aviv, Palestine.....	Agency.
Pine and Beech for Joinery and			
Building Purposes.....	387	Tel-Aviv, Palestine.....	Agency.

LIST OF PUBLICATIONS OF THE IMPERIAL ECONOMIC COMMITTEE

I. REPORTS TO GOVERNMENTS

Report No.

1. General (1925)	9d.	(10d.)
3. Fruit (1926)	4s. 6d.	(4s. 10d.)
4. Dairy Produce (1926)	1s. 0d.	(1s. 2d.)
5. Fish (1927)	6d.	(8d.)
6. Poultry and Eggs (1927).....	1s. 0d.	(1s. 2d.)
7. Honey (1927)		
8. Functions and Work of the Committee (1927).....	6d.	(7d.)
9. Tobacco (1928)	9d.	(10d.)
10. Timber (1928)	9d.	(10d.)
11. Trade in Agricultural Machinery (Survey) (1928).....	6d.	(8d.)
12. Pigs and Pig Products (1929)	6d.	(8d.)
13. Trade of the British Empire (Memorandum) (1929).....	6d.	(7d.)
14. Trade in Rubber Manufactured Goods (Survey) (1929) ...	6d.	(8d.)
16. Hides and Skins (1930)	6d.	(7d.)
17. Progress Report (1930)	6d.	(7d.)
18. Tea (1931)	6d.	(8d.)
19. Coffee (1931)	6d.	(8d.)
20. Wheat Situation, 1931 (Survey)	6d.	(8d.)
21. Imperial Industrial Co-operation (1932)	6d.	(7d.)
22. Cocoa (1932)	6d.	(8d.)
23. Wine (1932)	6d.	(8d.)
24. Hemp Fibres (1932)	6d.	(8d.)
26. Constitution and Work of the Committee (1932).....	6d.	(7d.)
27. Grassland Seeds (1934)	1s. 0d.	(1s. 2d.)
28. Maize (1934)	1s. 0d.	(1s. 2d.)
29. Trade in Electrical Machinery and Apparatus (1936).....	2s. 6d.	(2s. 8d.)
30. Survey of the Trade in Motor Vehicles (1936)	2s. 6d.	(2s. 9d.)
31. Tobacco (1938)	2s. 0d.	(2s. 2d.)
32. Survey of the Trade in Canned Food (1939).....	2s. 6d.	(2s. 9d.)

The fifteenth and twenty-fifth reports are confidential and have not been published; the second report is out of print.

II. SURVEYS OF WORLD PRODUCTION AND TRADE

Cattle and Beef (1934)	5s. 0d.	(5s. 6d.)
Ground Nut Products (1934)	4s. 0d.	(4s. 6d.)
Mutton and Lamb (1935)	4s. 0d.	(4s. 6d.)
World Consumption of Wool, 1928-35 (1936)	4s. 0d.	(4s. 6d.)
Apples and Pears (1938)	4s. 0d.	(4s. 6d.)

III. COMMODITY SERIES

The publications in this series, which will be revised annually, give in summary form the chief statistical data of world production and trade for the commodities concerned.

Meat	2s. 6d.	(2s. 8d.)
Fruit	2s. 6d.	(2s. 8d.)
Grain Crops	2s. 6d.	(2s. 8d.)
Industrial Fibres	2s. 6d.	(2s. 9d.)
Plantation Crops	2s. 6d.	(2s. 9d.)
Vegetable Oils and Oilseeds	2s. 6d.	(2s. 9d.)
Dairy Produce	2s. 6d.	(2s. 8d.)

IV. INTELLIGENCE SERVICES

1. Periodicals:—

	Annual Sub. (Post Free)	Surface Mail	Air Mail†
*Dairy Produce Notes (Weekly)	£2 0s.	£2 14s.	
*Fruit Intelligence Notes (Weekly)	£2 0s.	£2 19s.	
Canned and Dried Fruit Notes (Monthly)	£1 0s.	£1 6s.‡	
Weekly Arrivals of Canned Fruits and Tomato Products			
Wool Intelligence Notes (Monthly)	£1 0s.	£1 6s.	
Tobacco Intelligence (Quarterly with Monthly Supplement)	£0 10s.	£0 15s.	

* Reduced rates are applicable to producers and producers' organizations within the Empire. † To certain Empire countries only. ‡ Weekly supplement by surface mail.

Intending subscribers should apply to the Secretary, Imperial Economic Committee, 2, Queen Anne's Gate Buildings, Dartmouth Street, London, S.W. 1.

2. Annual Reviews:—

These are free to subscribers to the respective Intelligence Services. Non-subscribers can obtain copies from the addresses given below, at the prices listed.

Fruit Supplies	2s. 6d.	(2s. 10d.)
Dairy Produce Supplies	2s. 6d.	(2s. 11d.)
Supplies of Canned and Dried Fruit	2s. 6d.	(2s. 9d.)
Wool Production and Trade	2s. 6d.	(2s. 9d.)
World Consumption of Wool, 1938	2s. 6d.	(2s. 11d.)

V. MISCELLANEOUS

Annual Report (1937-38).....	6d.	(7d.)
An Index of Minor Forest Products of the Empire (1936).....	5s. 0d.	(5s. 3d.)

The Reports, Surveys, Commodity Series, and Annual Reviews, can be obtained from H.M. Stationery Office, York House, Kingsway, London W.C. 2 (and branches), or direct from the Secretary, Imperial Economic Committee, 2, Queen Anne's Gate Buildings, London, S.W. 1. All prices are net; those in parentheses include postage.

COMMERCIAL INTELLIGENCE SERVICE

L. D. WILGRESS, *Director*

Argentina

J. A. STRONG, B. Mitre 430, Buenos Aires (1). (Territory includes Uruguay.) *Cable address, Canadian.*

Australia

Sydney: L. M. COSGRAVE. Address for letters—P.O. Box No. 3952V. Office—City Mutual Life Building, Hunter and Bligh Streets. (Territory includes the Australian Capital Territory, New South Wales, Queensland, Northern Territory and Dependencies.) *Cable address, Canadian.*

Melbourne: FREDERICK PALMER, 83 William Street, Melbourne, C.I. (Territory includes States of Victoria, South Australia, Western Australia, and Tasmania.) *Cable address, Canadian.*

Brazil

L. S. GLASS. Address for letters—Caixa Postal 2164, Rio de Janeiro. Office—Ed. Da. "A. Noite," Sala 802, Praca Maua. *Cable address, Canadian.*

British India

PAUL SYKES. Address for letters—P.O. Box 886, Bombay. Office—Gresham Assurance House, Mint Road, Bombay. (Territory includes Burma and Ceylon.) *Cable address, Canadian.*

British Malaya

J. L. MUTTER, Union Building, Singapore, Straits Settlements. (Territory includes the Straits Settlements, the Federated Malay States, the Unfederated Malay States, Thailand, British Borneo, and Netherlands India.) *Cable address, Canadian.*

British West Indies

Trinidad: M. B. PALMER. Address for letters—P.O. Box 125, Port of Spain. Office—Barclay's Bank Building. (Territory includes Barbados, Windward and Leeward Islands, and British Guiana.) *Cable address, Canadian.*

Jamaica: F. W. FRASER, P.O. Box 225, Kingston. Office—Canadian Bank of Commerce Chambers. (Territory includes the Bahamas and British Honduras.) *Cable address, Canadian.*

China

V. E. DUCLOS. Address for letters—P.O. Box 264, Shanghai. Office—Ewo Building, 27 The Bund, Shanghai. (Territory includes Central China and North China.) *Cable address, Canadian.*

Cuba

C. S. BISSETT. Address for letters—Apartado 1945, Havana. Office—Royal Bank of Canada Building, Calle Aguiar 367, Havana. (Territory includes Haiti, the Dominican Republic, and Puerto Rico.) *Cable address, Canadian.*

Egypt

HENRI TURCOT. Address for letters—P.O. Box 1770, Cairo. Office—22 Shari Kasr el Nil, Cairo. (Territory includes the Sudan, Palestine, Cyprus, Iraq, Syria, Iran, Greece, Turkey, Bulgaria, and Roumania.) *Cable address, Canadian.*

France

HERCULE BARRÉ, Commercial Attaché, 3 rue Scribe, Paris (9). (Territory includes French Colonies in North Africa.) *Cable address, Cancomac.*

Hongkong

P. V. McLANE. Address for letters—P.O. Box 80, Hongkong. Office—Hongkong and Shanghai Bank Building, Hongkong. (Territory includes South China, the Philippines, and Indo-China.) *Cable address, Canadian.*

Ireland

JAMES CORMACK, 66 Upper O'Connell Street, Dublin, Ireland (*cable address, Canadian*); and 36 Victoria Square, Belfast, Northern Ireland.

CANADIAN GOVERNMENT TRADE COMMISSIONERS—*Con.*

Italy

A. B. MUDDIMAN, Via Manzoni Nr. 5, Milan (102). (Territory includes Spain, Portugal, Gibraltar, Malta, Albania, and Yugoslavia.) *Cable address, Canadian.*

Japan

C. M. CROFT, Commercial Secretary. Address for letters—P.O. Box 18, Akasaka Post Office, Tokyo. Office—Canadian Legation, 16 Omotecho, 3-chome, Akasakaku, Tokyo. *Cable address, Canadian.*

Mexico

R. T. YOUNG. Address for letters—Apartado Num. 126-Bis, Mexico City. Office—Edificio Banco de Londres y Mexico, Num. 30, Mexico City. (Territory includes Guatemala, Honduras, and Salvador.) *Cable address, Canadian.*

New Zealand

W. F. BULL. Address for letters—P.O. Box 33, Auckland. Office—Yorkshire House, Shortland Street, Auckland. (Territory includes Fiji and Western Samoa.) *Cable address, Canadian.*

Panama

H. W. BRIGHTON. Address for letters—P.O. Box 222, Panama City. Office—98 Central Avenue, Panama City. (Territory includes the Canal Zone, Venezuela, Colombia, Nicaragua, and Costa Rica.) *Cable address, Canadian.*

Peru

M. J. VECHSLER. Address for letters—Casilla 1212, Lima. Office—Edificio Boza, Carabaya 831, Plaza San Martin, Lima. (Territory includes Bolivia, Ecuador, and Chile.) *Cable address, Canadian.*

South Africa

Cape Town: J. C. MACGILLIVRAY. Address for letters—P.O. Box 683. Office—New South African Mutual Buildings, 17 Parliament Street. (Territory includes Cape Province and Southwest Africa, Natal, Tanganyika, Kenya, Uganda, Mauritius, and Madagascar.) *Cable address, Cantracom.*

Johannesburg: J. H. ENGLISH. Address for letters—P.O. Box 715. Office—Prudential Assurance Building, 92 Fox Street. (Territory includes Transvaal, Orange Free State, the Rhodesias, Mozambique or Portuguese East Africa, and Nyasaland.) *Cable address, Cantracom.*

United Kingdom

London: FREDERIC HUDD, Chief Trade Commissioner in the United Kingdom, Canada House, Trafalgar Square, S.W.1. *Cable address, Sleighing, London.*

London: G. R. HEASMAN, Trade Commissioner, Canada House, Trafalgar Square, S.W.1. (Territory includes Home Counties, Southeastern Counties, and East Anglia; also British West Africa.) *Cable address, Sleighing, London.*

London: W. B. GORNALL, Fruit Trade Commissioner, Aldine House, Bedford Street, Strand, W.C.2. *Cable address, Canfrucum.* (Territory—for fresh fruit only—includes United Kingdom, Norway, Denmark, Sweden, France, Holland, and Belgium).

London: G. R. PATERSON, Animal Products Trade Commissioner, Canada House, Trafalgar Square, S.W. 1. *Cable address, Agrilson.*

Liverpool: A. E. BRYAN, Martins Bank Building, Water Street. (Territory includes North of England, Lincolnshire, North Midlands, and North Wales.) *Cable address, Canadian.*

Bristol: E. L. MCCOLL, Northcliffe House, Colston Avenue. (Territory includes West of England, South Wales, and South Midlands.) *Cable address, Canadian.*

Glasgow: G. B. JOHNSON, 200 St. Vincent Street. (Territory covers Scotland.) *Cable address, Cantracom.*

United States

New York City: D. S. COLE, British Empire Building, Rockefeller Center. (Territory includes Bermuda.) *Cable address, Cantracom.*

Chicago: W. J. RIDDIFORD, Tribune Tower, 435 North Michigan Avenue. *Cable address, Canadian.*

Los Angeles: B. C. BUTLER, Associated Realty Building, 510 West Sixth Street. *Cable address, Canadian.*

Note.—Bentley's Second Phrase Code is used by Canadian Trade Commissioners.

COMMERCIAL INTELLIGENCE JOURNAL

Vol. LXII

Ottawa, May 25, 1940

No. 1895



House of Cape Type of Architecture at Cape Town roofed with
Canadian Shingles

ISSUED BY AUTHORITY OF

THE HON. JAS. A. MacKINNON, MINISTER OF TRADE AND COMMERCE

J. G. PARMELEE, DEPUTY MINISTER



CONTENTS

	Page
Trade Commissioners on Tour	791
Foreign Trade of the United States in 1939.....	791
Canada's Domestic Exports to the United States of Principal Commodities Affected by the Canada-United States Trade Agreement: Month of April, 1939 and 1940	800
Veneers and Plywood under the United Kingdom Timber Control	806
West of England Market for Canned Herring	807
South Wales Industry and Trade.....	808
Scandinavian Countries in World Trade	814
United Kingdom Imports from Denmark, Norway and Sweden	818
Ireland's Imports from Finland.....	819
Australian Wheat and Flour	820
Economic Conditions in South Africa, January to March.....	821
New Opportunities for Canadian Sales to India.....	822
Canadian Trade with the Netherlands in 1939: II. Notes on Imports from Canada.....	822
Imports into the United States of Products under the Quota Provisions of the Trade Agreement.....	829
Tariff Changes and Trade Regulations	829
Exchange Conditions in Empire and Foreign Countries:	
British West Indies (Eastern Group) and British Guiana	832
Gibraltar	832
Portugal	833
Argentina	833
Chile	834
Foreign Exchange Quotations	835
Trade Inquiries for Canadian Products	836
Commercial Intelligence Service	837

COMMERCIAL INTELLIGENCE JOURNAL

Issued Every Saturday by the Department of Trade and Commerce

PUBLISHED in English and French. Subscription Price for either edition: \$1 per annum in Canada (single copies 5 cents each); \$3.50 outside the Dominion (single copies 10 cents each). Remittances, which may be made by Post Office or Express Orders, or Drafts, or Cheques, payable at par in Ottawa, should be addressed to the King's Printer, Government Printing Bureau, Ottawa.

Vol. LXII

Ottawa, May 25, 1940

No. 1895

TRADE COMMISSIONERS ON TOUR

Mr. M. B. Palmer, Canadian Trade Commissioner at Port of Spain, Trinidad (whose territory includes Barbados, Windward and Leeward Islands, and British Guiana), and Mr. F. W. Fraser, Canadian Trade Commissioner at Kingston, Jamaica (whose territory includes the Bahamas and British Honduras), are on tour in the Dominion in the interest of Canadian trade with their territories. Following are their itineraries as at present arranged:—

Mr. Palmer

Montreal	May 27 to June 4, and June 20	Halifax	June 17 to 19
Granby	June 5	Lunenburg and Liverpool.	June 20
Sherbrooke	June 6	Charlottetown	June 21 to 24
Saint John	June 10 and 11	Ottawa and district	June 27
Grand Manan	June 12 to 14	Brockville, Kingston, and Wellington	June 28
Kentville	June 15	Toronto and district	July 2 to 13

Mr. Fraser

Winnipeg	May 29 to 31	Aurora and district	July 2
Vancouver, New Westmin- ster and Victoria	June 3 to 12	Owen Sound and district..	July 3
Edmonton	June 14	London and St. Mary's . . .	July 4 and 5
Toronto and district	June 17 to 29	St. Thomas	July 6

Canadian firms who wish to be brought in touch with the Trade Commissioners should communicate, for Montreal, with the Montreal Board of Trade; for Toronto, Winnipeg, Edmonton, Vancouver, and Victoria, with the office of the Canadian Manufacturers Association; and for other centres, with the respective Board of Trade or Chamber of Commerce.

FOREIGN TRADE OF THE UNITED STATES IN 1939

D. S. COLE, CANADIAN TRADE COMMISSIONER

New York, May 10, 1940.—Foreign trade of the United States maintained a general upward trend throughout 1939, although seriously affected by the outbreak of war. The year may be divided into two specific periods. The first natural division is the eight months of the year preceding the war, when foreign trade improvement was a continuation of the recovery which started during the later part of 1938, with an increase in exports due to rearmament and war preparations abroad. The second period, covering the last four months of the year, reflected sharply the diversion of trade to and from the United States as a result of the war and this country's neutrality legislation.

EFFECTS OF THE WAR ON UNITED STATES TRADE

The principal effects of the war in Europe on United States trade may be summarized as follows:—

1. Germany, Poland and Czecho-Slovakia dropped out of the United States export and import trade.

2. Many neutral countries turned to the United States for supplies they had previously purchased in Europe.

3. From September 4 to November 6, 1939, the export of arms, ammunition and implements of war were stopped under the old Neutrality Act.

4. Under the new Neutrality Act the export of arms, ammunition and implements of war were permitted on a cash and carry basis, but at the same time United States shipping was seriously dislocated.

5. Purchases by belligerents of a number of non-military commodities were restricted by their own regulations or were shifted to their own colonies or to neutral areas where exchange relationships accorded the warring powers an economic advantage.

6. Heavy purchases were made of war requirements by the belligerents following the passing of the new Neutrality Act.

TRADE AGREEMENTS

During 1939 eighteen reciprocal trade agreements were in force between the United States and other countries for the full year and two more for part of the year. Both the export and import trade of the United States with agreement countries was larger than trade with non-agreement countries. Exports to agreement nations were 8.1 per cent above those for 1938, while those to non-agreement nations recorded a decline of 4.5 per cent. Imports from agreement countries increased by 20.1 per cent during 1939 and from non-agreement countries by 15.6 per cent.

VALUE OF TRADE

The total value of the foreign trade (exports and imports combined) of the United States for 1939 amounted to \$5,495,602,517, as compared with \$5,054,867,949 in the previous year, a gain of 8.7 per cent. The excess value of exports over that of imports for 1939 was \$859,085,759, the highest since 1928 with the exception of 1938.

PRINCIPAL MARKETS

According to the preliminary statistics of the Department of Commerce, United States exports for 1939 were valued at \$3,177,344,000, a gain of \$72,904,000 or 2.7 per cent over the 1938 total of \$3,094,440,000. The quantity of exports was about 4.8 per cent over the 1938 figure while the average export price was 1.5 per cent below that for 1938.

The following tables show the values of United States exports to principal foreign countries and to British Empire countries in 1939 and 1938, with percentage increases in the later year:—

United States Exports to British Empire Countries

	1939 \$	1938 \$	Inc. or Dec. Per Cent
Total to all countries	3,177,344,000	3,094,440,000	+ 2.7
Canada*	493,450,000	467,767,000	+ 5.5
United Kingdom*	505,227,000	520,878,000	— 3.0
Ireland	9,593,000	27,258,000	— 65.0
Australia	61,554,000	71,992,000	— 11.0
New Zealand	16,544,000	23,461,000	— 30.0
Union of South Africa	70,376,000	71,763,000	— 1.9
British India	42,813,000	33,441,000	+ 28.0
Trinidad and Tobago*	6,948,000	7,443,000	— 6.6
Jamaica*	5,905,000	5,746,000	+ 2.8
Bermuda*	3,563,000	3,951,000	— 9.8

United States Exports to Other Principal Foreign Countries

	1939	1938	Inc. or Dec.
	\$	\$	Per Cent
Argentina	71,114,000	86,793,000	— 18.0
Brazil*	80,441,000	61,957,000	+ 30.0
France*	181,825,000	133,872,000	+ 36.0
Germany, Austria, and Czecho-Slovakia . .	51,132,000	107,129,000	— 62.0
Belgium*	64,567,000	76,933,000	— 16.0
Netherlands*	96,809,000	96,732,000	+ 0.1
Italy	58,864,000	58,291,000	+ 1.0
Soviet Russia	56,638,000	69,692,000	— 19.0
Japan	231,405,000	239,662,000	— 3.4
China	55,809,000	34,719,000	+ 61.0

* Countries having trade agreements with the United States.

The following table shows United States exports by commodity groups in 1939, in millions of dollars, with comparative values for 1938:—

United States Exports by Commodity Groups

	1938	1939
	Millions of Dollars	Millions of Dollars
Total	3,056.8	3,123.9
Animals and animal products, edible	69.2	75.6
Animals and animal products, inedible	42.8	43.6
Vegetable food products and beverages	363.2	236.7
Vegetable food products, inedible except fibre and wood	226.6	176.2
Textile fibres and manufactures	322.9	357.9
Wood and paper	94.1	100.4
Non-metallic minerals	490.6	504.7
Metals and manufactures except machinery and vehicles	362.9	462.3
Machinery and vehicles	848.5	895.2
Chemicals and related products	128.9	164.6
Miscellaneous	106.8	106.4

The value of the export trade of the United States to countries in the British Empire during 1939 was below that for 1938. However, increases were recorded in trade with Canada, India, Malaya, and Jamaica. Exports to the United Kingdom and Canada, accounting for 31.4 per cent of total United States export trade, showed a slight increase to \$998,677,000 from \$988,645,000 in 1938. Exports to the United Kingdom were valued at \$505,227,000, a decrease of 3 per cent from the 1938 value of \$520,878,000.

United States exports to Canada in 1939 were valued at \$493,450,000 as against \$467,767,000 in 1938, an increase of \$25,683,000 or 5.5 per cent. For the period September to December inclusive, exports to Canada were valued at \$209,011,000 or 42 per cent of the total exports to Canada in 1939. The value of shipments to British India totalled \$42,813,000, a gain of 28 per cent, and those to Jamaica increased by 2.8 per cent. On the other hand, exports to Ireland declined by 65 per cent; New Zealand, 30 per cent; Australia, 11 per cent; Bermuda, 9.8 per cent; Trinidad and Tobago, 6.6 per cent; and South Africa, 1.9 per cent.

Shipments to half of the leading markets in Europe showed increases over the previous year. The value of exports to France totalled \$181,825,000 as compared with \$133,872,000 in 1938, a gain of 36 per cent. Shipments to Italy at \$58,864,000 were 1 per cent above those of 1938, while exports to the Netherlands at \$96,809,000 were about the same as in the previous year. Exports to Belgium were valued at \$64,567,000 and were 16 per cent below the 1938 value, while those to Germany, including Austria and Czecho-Slovakia, totalled \$51,132,000 as against \$107,129,000 in 1938, a decline of 62 per cent. Exports to Brazil, Colombia, Venezuela, Peru, Panama, China, and the Netherlands East Indies were above those of the previous year, while shipments to Japan, Russia, Argentina, and the Netherland West Indies showed declines in the 1938 values.

NOTES OF EXPORTS OF PRINCIPAL COMMODITIES

Nearly 80 per cent by value of United States exports during 1939 were products of the manufacturing industries. Completely finished manufactures

accounted for 53.4 per cent of the export trade, the largest share reached in more than fifty years by any of the five groups; partly finished manufactures accounted for 19.7 per cent and manufactured foodstuffs for 6.5 per cent. The remaining fifth of the export trade was accounted for by crude materials and crude foodstuffs. Exports of finished manufactures increased by 10 per cent in quantity and 9.4 per cent in value over the previous year's figures, semi-manufactures registered a gain of 22 per cent in quantity and 21.5 per cent in value, while manufactured foodstuffs and beverages increased by 17 per cent in quantity and 10 per cent in value. On the other hand, exports of crude materials showed a decline from the 1938 figures of 9.5 per cent in volume and 11.1 per cent in value, and exports of crude foodstuffs declined by 47 per cent in quantity and 55.5 per cent in value from those of the previous year. The average export prices of most groups were lower in 1939 than in 1938.

The following table shows values for the twenty chief exports from the United States in 1939 and 1938 with percentage increase or decrease and the percentage which the value for each item was of the total import value:—

Twenty Chief Exports from the United States

	1939	1938	Inc. or Dec.	Per Cent
	\$1,000	\$1,000	Per Cent	of 1939 Total
Automobiles, parts and accessories.	253,722	270,389	— 6.2	8.1
Unmanufactured cotton	243,460	228,669	+ 6.5	7.8
Aircraft, parts and accessories.	116,910	68,209	+ 71.4	3.7
Power-driven metal-working machinery	112,572	97,271	+ 15.7	3.6
Electrical machinery and apparatus	105,306	102,151	+ 3.1	3.4
Gasoline	96,997	103,544	— 6.3	3.1
Crude petroleum.	92,790	111,739	— 17.0	3.0
Lubricating oil	90,959	68,855	+ 32.1	2.9
Refined copper in ingots, bars or other forms	82,210	74,063	+ 11.0	2.6
Leaf tobacco	76,826	155,304	— 50.5	2.5
Agricultural machinery and implements . . .	68,507	74,435	— 9.2	2.2
Coal and coke	66,576	55,775	+ 19.4	2.1
Iron and steel scrap	54,690	44,932	+ 21.7	1.8
Gas oil and fuel oil	54,405	56,356	— 3.5	1.7
Iron and steel plates, sheets skelp and strips	52,033	42,183	+ 23.4	1.7
Well and refinery machinery	37,162	40,842	— 9.0	1.2
Wheat	36,815	78,141	— 52.9	1.2
Cotton cloth, duck and tire fabric	36,549	30,561	+ 19.6	1.2
Boards, planks and scantling.	33,695	30,687	+ 9.8	1.1
Tin plate, terneplate and taggers' tin	33,033	19,078	— 73.1	1.1

AUTOMOBILES AND PARTS

While the exports of automobiles, parts and accessories continued to be the leading United States export in 1939, their total value of \$253,722,000 was 6.2 per cent below the 1938 value of \$270,389,000. Exports of this item constituted only 7.1 per cent of total production as compared with 11 per cent in 1938, and were the lowest since 1933. Owing to the higher prices and rationing of gasoline in Europe, the exports of passenger cars totalling 139,000 units, were 15 per cent under the 1938 figure; motor trucks and buses, numbering 115,000 units, declined by 0.9 per cent. Automobiles engine exports totalled 55,000 units and were down 14 per cent, while shipments of automobile tires reached a total of 1,187,000, an increase of 39 per cent over the 1938 figure and the heaviest since 1931.

UNMANUFACTURED COTTON

Exports of unmanufactured cotton amounted to 4,815,000 bales (\$243,460,000), a gain of 5.1 per cent in quantity and 6.5 per cent in value over the 1938 total of 4,562,000 bales (\$228,669,000), the lowest in twenty years. The improvement occurred in the last five months of the year and was attributed partly to war demands but to a great extent to the United States export subsidy, the need of replenishing low stocks abroad, shipments to the United Kingdom under the cotton for rubber barter, and to some speculative buying abroad.

AIRCRAFT

The export of aircraft, parts and accessories showed the heaviest increase among the major items, rising from thirteenth place in 1938 to third place in 1939. The 1939 value was \$116,910,000, or 71·4 per cent in excess of the 1938 value of \$68,209,000. During the first eight months of the year the value of exports averaged \$9,000,000 per month, but fell off at the outbreak of the war when the 1937 Neutrality Act came into force. However, with the repeal of the old Act and a new Neutrality Act in force in November, shipments once more began to move, and in December they reached a total of \$29,000,000.

MACHINERY

The export of metals and machinery, accounting for 31 per cent of the total value of exports in 1939, showed a substantial gain in many lines. The war demand during the last four months of the year accentuated the increases. The value of shipments abroad of power-driven metal-working machinery totalled \$112,572,000 in 1939, a gain of 15·7 per cent over the 1938 value of \$97,271,000. Exports of electrical machinery and apparatus were valued at \$105,306,000 as compared with \$102,151,000 in the previous year, a gain of 3·1 per cent. Other types of machinery showing increases during the past year included air compressors, power pumps, excavators, road graders, and rock drills.

Exports of agricultural machinery declined by 9·2 per cent, from \$75,435,000 in 1938 to \$68,507,000 in 1939. Well and refinery machinery totalling \$37,162,000 declined by 9 per cent from the 1938 value of \$40,842,000. Shipments abroad of printing presses, typewriters, and sewing machines were all below the 1938 levels.

METALS

The general increase in the United States exports of metals for 1939 may be divided between two periods. During the first eight months of the year the increase was about 7·8 per cent, while the gain for the last four months was 65 per cent. Among the metals and products showing large increases were iron and steel, copper, aluminium, nickel, lead, and platinum.

IRON AND STEEL PRODUCTS

Exports of iron and steel scrap in 1939 were valued at \$54,690,000, which was 21·7 per cent above the 1938 value of \$44,949,000. Shipments of iron and steel plates, sheets, skelp, and strips totalled \$52,033,000 as compared with \$42,183,000 in 1938, an increase of 23·4 per cent. The value for iron and steel tubular products increased by 44·4 per cent, from \$16,667,000 in 1938 to \$24,059,000. Iron and steel bars and rods increased by about 42 per cent, from \$11,722,000 to \$16,616,000.

REFINED COPPER

Shipments abroad of refined copper, amounting to 745,331,000 pounds (\$82,210,000), were the heaviest in ten years, although in quantity they were only 0·6 per cent over the 1938 figure of 741,091,000 pounds and in value 11 per cent over the 1938 figure of \$74,063,000.

PETROLEUM AND PETROLEUM PRODUCTS

Exports of crude petroleum for 1939 amounted to 72,064,000 barrels (\$97,790,000), about 6·7 per cent by volume and 17 per cent by value under the previous year's record of 77,272,000 barrels (\$111,739,000). Shipments of gasoline totalled \$96,997,000 and were 6·3 per cent below the 1938 value of \$103,544,000. Among the refined products which showed decreases in value were lubricating oil, gas oil and fuel oil, kerosene, and natural gasoline.

LEAF TOBACCO

In 1939 leaf tobacco dropped from third place to tenth among the leading United States exports. The 1939 quantity of 327,216,000 pounds (\$76,826,000) was 30·8 per cent by quantity and 50·5 per cent by value under the 1938 total of 472,854,000 pounds (\$155,304,000). The large decrease in the leaf tobacco exports was due to severe competition during the first part of the year and to the withdrawal of British buyers from the market in the latter months.

CHEMICALS AND RELATED PRODUCTS

Sales abroad of chemicals and related products were valued at \$164,658,000 as compared with \$128,909,000 in 1938, a gain of 27·9 per cent. Although the foreign demand for United States chemicals was well maintained throughout the year, the latter months brought a heavy increase, amounting to about 55 per cent as compared with a 12 per cent gain in the first eight months. Increases in value were recorded in the exports of coal-tar products, medicinal and pharmaceutical preparations, industrial chemicals, paints and varnishes, fertilizers, soaps, and explosives.

WOOD AND WOOD PRODUCTS

Exports of wood and wood products totalled \$100,422,000 in 1939 as against \$94,102,000 in 1938, a gain of 6·4 per cent. Increases were recorded for boards, planks and scantlings, sawed timber, paperboard, and logs, while the exports of wood-pulp declined.

FOODSTUFFS

Unlike 1938, when heavy foreign demand resulted in a large increase in exports of foodstuffs, the 1939 shipments were considerably below the 1938 level; they totalled \$313,284,000 in value, a decline of 28 per cent from that for 1938. Restricted buying by the United Kingdom and France was one of the chief factors in the decline. However, a number of the leading food products recorded substantial increases in quantity over 1938 figures and included wheat flour, which increased by 48·6 per cent from 1,021,707,000 pounds to 1,518,335,000 pounds, potatoes, soy beans, canned vegetables, canned fruit, and sugar.

Exports of wheat amounted to 3,792,858,000 pounds as compared with 5,218,857,000 pounds in the previous year, a decrease of 27·3 per cent. Shipments of corn dropped by 78·2 per cent from 8,260,286,000 pounds in 1938 to 1,798,562,000 pounds. Other foodstuffs showing declines in 1939 were barley, fresh apples, condensed milk, canned salmon, oranges, milled rice, oil cake and oil-cake meal, raisins, and dried apricots.

UNITED STATES IMPORT TRADE

United States imports for consumption in 1939 were valued at \$2,276,294,000, a gain of 16·8 per cent over the 1938 value of \$1,949,624,000. The average import price during the past year was 1·9 per cent above the 1938 average, while the quantity of merchandise imported was 15 per cent above the 1938 figure.

The following tables show values for United States imports for consumption in 1939 and 1938 from the principal foreign countries and from British Empire countries, with percentage increases in 1939 over values in the preceding year:—

United States Imports from British Empire Countries

	1939 \$	1938 \$	Inc. or Dec. Per Cent
Total from all countries	2,276,294,000	1,949,624,000	+ 16.8
Canada*	332,681,000	256,745,000	+ 30.0
United Kingdom*	151,320,000	118,371,000	+ 28.0
British Malaya*	149,058,000	112,142,000	+ 33.0
British India	66,338,000	58,189,000	+ 14.0
South Africa	31,555,000	19,074,000	+ 65.0
Australia	15,764,000	8,768,000	+ 80.0
New Zealand	11,553,000	7,388,000	+ 56.0
Trinidad and Tobago*	2,073,000	2,149,000	— 3.5
Jamaica*	1,494,000	1,232,000	+ 22.0
Bermuda*	288,000	388,000	— 25.7

United States Imports from Principal Foreign Countries

	1939 \$	1938 \$	Inc. or Dec. Per Cent
Japan	161,082,000	131,696,000	+ 22.0
Brazil*	106,298,000	97,752,000	+ 8.7
Belgium*	62,931,000	42,029,000	+ 49.7
France*	61,406,000	54,434,000	+ 13.0
China	60,334,000	47,224,000	+ 28.0
Germany, Austria and Czecho-Slovakia . .	60,202,000	91,046,000	— 34.0
Argentina	58,555,000	41,672,000	+ 41.0
Italy	38,807,000	42,169,000	— 8.1
Netherlands*	28,272,000	30,040,000	— 6.1
Russia	24,494,000	23,532,000	+ 4.2

* Countries having trade agreements with the United States.

The following table shows imports into the United States in 1938 and 1939 by commodity groups:—

United States Imports by Commodity Groups

	1938 Millions of Dollars	1939 Millions of Dollars
Total	1,949.8	2,276.3
Animals and animal products, edible	82.1	95.4
Animals and animal products, inedible	115.6	149.8
Vegetable food products and beverages	488.7	508.7
Vegetable food products, inedible except fibre and wood	292.7	352.2
Textile fibres and manufactures	280.8	359.8
Wood and paper	234.7	260.3
Non-metallic minerals	109.6	136.6
Metals and manufactures, except machinery and vehicles . .	158.7	227.4
Machinery and vehicles	17.9	15.1
Chemicals and related products	78.0	79.5
Miscellaneous	90.7	91.4

United States imports for consumption from countries comprising the British Empire, with the exception of Bermuda and Trinidad and Tobago, showed increases over the 1938 figures. Canada, the most important source of United States imports, is credited with supplies valued at \$332,681,000, a rise of 30 per cent over the 1938 figure of \$256,745,000. Imports from Canada during the September-December period were valued at \$126,219,000, or 38 per cent of the total United States imports from Canada in 1939.

Imports from the United Kingdom increased by 28 per cent—from \$118,371,000 in 1938 to \$151,320,000. Arrivals from British Malaya showed a gain of 33 per cent, the value being \$149,058,000 as against \$112,142,000 in 1938. Imports from British India, South Africa, Australia, New Zealand, and Jamaica showed increases over the previous year's figures ranging from 14 per cent to 80 per cent.

Among the principal foreign suppliers of goods to the United States, imports from the following showed declines: Germany, including Austria and Czecho-Slovakia, 34 per cent; Italy, 8.1 per cent; and the Netherlands, 6.1 per cent. On the other hand, increases in imports ranging from 4.2 per cent to 49.7 per cent were recorded for the following countries: Russia, Brazil, France, Japan, Argentina, and Belgium.

NOTES ON IMPORTS OF PRINCIPAL COMMODITIES

With industrial production reaching its highest peak since 1929, imports during 1939 increased steadily. While every import group showed increases in quantity and value over figures for the previous year, arrivals of crude materials and partly finished manufactures for United States industrial plants led the five import classes and constituted by value 54 per cent of the total imports.

The following table shows the values for the twenty chief imports into the United States in 1939 and 1938, with percentage increases or decreases in the later year, and percentages which the value for each item is of the total import value:—

Twenty Chief Imports According to Value

	1939 \$1,000	1938 \$1,000	Per Cent	
			Inc. or Dec. of 1939 Per Cent	Total
Crude rubber, including latex	178,489	130,129	+ 37.2	7.8
Coffee	139,574	137,824	+ 1.3	6.1
Cane sugar	124,649	130,400	— 4.4	5.5
Raw silk	120,852	88,821	+ 36.1	5.3
Standard newsprint paper	115,716	101,456	+ 14.1	5.1
Wood-pulp	75,876	72,766	+ 4.3	3.3
Tin bars, blocks, pigs, etc.	70,591	44,861	+ 57.4	3.1
Undressed and dressed furs	52,765	43,182	+ 22.2	2.3
Unmanufactured wool	49,667	22,602	+119.7	2.2
Distilled liquors	48,285	49,197	— 1.9	2.1
Raw hides and skins, except furs	47,056	29,880	+ 57.5	2.1
Diamonds, including industrial	45,099	28,307	+ 59.3	2.0
Copper ore, concentrates, etc.	42,703	36,087	+ 18.3	1.9
Unmanufactured tobacco	36,918	36,028	+ 2.5	1.6
Fish	32,404	28,349	+ 14.3	1.4
Bananas	29,083	28,798	+ 1.0	1.3
Nickel and alloys	28,975	13,048	+122.1	1.3
Burlaps	27,961	28,343	— 1.3	1.2
Cocoa or cocoa beans	27,585	20,139	+ 37.0	1.2
Crude petroleum	23,289	18,603	+ 25.2	1.0

CRUDE RUBBER

During the past year crude rubber, including latex, became the leading commodity imported into the United States, the total being 1,118,820,000 pounds (\$178,489,000), as compared with 922,841,000 pounds (\$130,129,000) in 1938, an increase of 21 per cent in quantity and 37 per cent in value. The average import price was 16 cents per pound as compared with 14 cents in 1938. With a record consumption of 1,293,804,000 pounds in 1939, stocks were reduced to their lowest in years (314,227,000 pounds).

COFFEE

Coffee, ranking second among the imports, established another new high in 1939, imports amounting to 2,014,279,000 pounds, or 1.4 per cent above the 1938 record of 1,987,144,000 pounds. The value (\$139,574,000) was 1.3 per cent above the 1938 value of \$137,824,000.

CANE SUGAR

Cane sugar, which dropped to third place among the leading imports, amounted to 5,806,633,000 pounds (\$124,649,000) as compared with 5,947,946,000 pounds (\$130,400,000) in the previous year, a decline of 2.4 per cent in quantity and 4.4 per cent in value.

NEWSPRINT PAPER

Standard newsprint paper imports for 1939 amounted to 5,230,257,000 pounds (\$115,716,000) as compared with 4,549,248,000 pounds (\$101,456,000)

in 1938, a gain of 15 per cent in volume and 14.1 per cent in value. Imports of wood-pulp totalled 4,052,418,000 pounds (\$75,876,000), an increase of 17.6 per cent in volume and 4.3 per cent in value from the previous year's total of 3,444,692,000 pounds (\$72,766,000). Pulpwood imports decreased by 12.6 per cent, from 4,528,755,000 pounds in 1938 to 3,958,059,000 pounds in 1939.

DISTILLED LIQUORS

Imports of distilled liquors in 1939 amounted to 11,422,000 gallons (\$48,-285,000) as against 11,783,000 gallons (\$49,197,000) in 1938, a decrease of 3.1 per cent in volume and 1.9 per cent in value.

OTHER COMMODITIES SHOWING MARKED GAINS

Among the various commodities imported into the United States during 1939, the following all recorded gains as compared with the figures for the previous year: raw silk; tin bars, blocks and pigs; dressed and undressed furs; unmanufactured wool; raw hides and skins; diamonds, including industrial diamonds; copper ores and concentrates; unmanufactured tobacco; and crude petroleum.

IMPORTS SHOWING DECLINES

Important commodities the imports of which showed severe declines from the 1938 figures included gas oil and fuel oil, fertilizers, copra, tung oil, cottonseed oil, burlaps, jute and jute butts, and chrome ore.

GOLD AND SILVER MOVEMENTS

United States imports of gold in 1939, totalling in value \$3,574,659,000, far exceeded those of any like period in history. The heavy imports represented funds seeking safety in the United States, gold attracted by the Government's high purchase price, funds for the purchase of war materials, and transfers for the purpose of settling for the excess of merchandise purchased from the United States.

The 1939 imports of gold amounted to \$3,574,659,000 as compared with \$1,979,458,000 in 1938, an increase of \$1,595,201,000 or 80.8 per cent. Shipments from the United Kingdom amounted to \$1,826,463,000, or 51 per cent of the total imported, as compared with \$1,206,801,000 in 1938, an increase of 51 per cent. Receipts from Canada totalled \$613,116,000 as compared with \$76,430,000 in the previous year. The Netherlands sent \$341,618,000; Japan, \$165,605,000; and Belgium, \$165,122,000. Imports of silver totalled \$85,307,000 in 1939, a large decrease as against the 1938 import value of \$230,531,000. Of the total receipts, Mexico is credited with \$31,773,000; United Kingdom, \$18,141,000; Canada, \$9,316,000; Hongkong, \$7,725,000; and Peru, \$6,513,000.

The value of exports of gold from the United States amounted to only \$508,000 in 1939 as compared with \$5,889,000 in the previous year. Of the total exports of gold, \$206,000 was sent to Mexico; \$168,000 to Canada; \$68,000 to Switzerland; and \$60,000 to the United Kingdom. Exports of silver totalled \$14,630,000, of which \$5,761,000 went to the United Kingdom; \$4,933,000 to the West Indies and Bermuda; and \$2,237,000 to Canada.

The foregoing report is based on information supplied by the Bureau of Foreign and Domestic Commerce of the Department of Commerce, Washington, D.C., and the Foreign Commerce Department of the United States Chamber of Commerce.

CANADA'S DOMESTIC EXPORTS TO THE UNITED STATES OF PRINCIPAL COMMODITIES AFFECTED BY THE CANADA-UNITED STATES TRADE AGREEMENT
EFFECTIVE FROM JANUARY 1, 1939; ALSO UNITED STATES TARIFF RATES IN FORCE. (MONTH OF APRIL, 1939 AND 1940, AND FOUR MONTHS
ENDED APRIL, 1939 AND 1940).

NOTE.—The descriptions of the commodities in the following table are taken from the Canadian Customs statistical classification. The tariff rates are taken from the United States tariff classification. These classifications are not always identical, and the rates quoted, therefore, may not apply in all cases entirely, or exclusively, to the commodities for which statistics are given. A number of products affected by the agreement are not included in the table because statistics are not available.

(COMPILED BY THE EXTERNAL TRADE BRANCH, DOMINION BUREAU OF STATISTICS; AND THE FOREIGN TARIFFS BRANCH)

Commodities	Quantities				Value				United States Tariff	
	Month of April		Four Months ended April		Month of April		Four Months ended April		Before first Agreement, i.e., 1935	Canada-United States Agreement, (Jan. 1, 1939)
	1939	1940	1939	1940	1939	1940	1939	1940		
AGRICULTURAL AND VEGETABLE PRODUCTS										
Fruits and vegetables—										
Blueberries, frozen.....	59,040	10,260	341,734	209,010	3,519	564	18,022	13,038	35% ad val.	17½ ad val.
Blueberries, fresh, n.o.p.....			405,633				23,399		1½c. per lb.	1c. per lb.
Potatoes, seed, certified.....	35,535	458,731	234,266	562,773	30,942	405,026	218,288	497,460	75c. per 100 lbs.	37½c. per 100 lbs. March 1 to Nov. 30; 60c. per 100 lbs., Dec. 1 to last day of Feb. (d)
Potatoes, n.o.p.....	59,363	247,285	176,067	271,854	29,608	179,797	103,846	199,228	75c. per 100 lbs.	75c. per 100 lbs. on imports in excess of 1,500,000 bu. per 12-month period beginning Sept. 15.
Turnips.....	95,112	155,987	897,514	1,113,932	40,317	58,834	314,000	454,031	25c. per 100 lbs.	12½c. per 100 lbs.
Grains and farinaceous products—										
Barley.....	57	95	897	4,222	46	87	318	3,636	20c. per bu.	15c. per bu.
Oats.....	123,109	544,239	404,492	1,532,408	43,223	267,976	146,459	745,778	16c. per bu.	8c. per bu.
Rye.....	187,849	276,919	782,636	1,119	206,953	316,737	770,987	1,592,151	15c. per bu.	12c. per bu.
Bran, shorts and middlings.....					5,880	5,470	27,530	22,402	10% ad val.	5% ad val.
Cereal foods, prepared.....	120,600	133,125	430,932	446,979	105,989	103,463	380,793	334,736	20% ad val.	10% ad val.
Malt.....									40c. per 100 lbs.	40c. per 100 lbs., if barley malt; 35c. per 100 lbs. if rye malt.
Screenings, scalplings, chaff or screenings of grain, ground or unground.....	26,230	114,006	108,430	496,754	6,253	61,354	29,595	191,662	10% ad val.	5% ad val.
Maple Syrup.....	954	261	2,101	1,442	1,442	474	2,825	2,005	4c. per lb.	2c. per lb.
Maple sugar.....	1,558,292	106,559	2,668,563	153,096	203,714	19,814	388,903	27,017	6c. per lb.	3c. per lb.
Whiskey.....	76,844	97,343	314,408	317,016	434,026	449,092	1,718,134	1,638,369	\$2.50 per pf. gal. if aged in wooden containers for at least four years.	\$2.50 per pf. gal. if aged in wooden containers for at least four years.

Seeds—									
Clover seed, alfalfa.....	Bu.	1,780	3,631	29,084	28,800	19,131	38,786	246,907	323,925
Clover seed, alsike.....	Bu.	.....	3	103	2,385	.....	16	371	19,284
Clover seed, red.....	Bu.	.....	1	44	57	5	11	237	355
Clover seed, sweet.....	Bu.	.....	699	54,903	9,919	21,960	1,266	95,300	46,900
Grass seed, bromo (a).....	Bu.	13,813	48,555	9,208	129,040	12,974	69,697	12,974	173,223
Grass seed, crested wheat (a).....	Bu.	7,482	7,245	7,482	24,188	11,336	16,948	11,336	51,303
Grass seed, n.o.p. (included bromo and crested wheat grass seed prior to April 1, 1939).....	Bu.	519	3,479	96,285	8,844	1,911	4,742	156,448	14,456
Beet pulp.....	Cwt.	.....	2,560	159	23,443	.....	4,425	204	37,574
Hulls of grain.....	Cwt.	7,700	13,330	40,815	179,405	2,776	6,478	14,834	75,436
Mixed feeds.....	Ton	3,827	10,886	18,678	37,341	8,500	1,978	19,774	22,738
Hay.....	Ton	373	2,373	3,008	8,781	1,366	10,167	11,723	357,977
Straw.....	Ton	.....	.....	.....	.....	.....	.....	.....	36,339
ANIMALS AND ANIMAL PRODUCTS									
Animals, living—									
Cattle for improvement of stock.....	No.	413	560	2,211	2,220	35,746	60,030	214,450	227,835
Dairy cattle, n.o.p., weighing over 700 lbs.....	No.	314	378	2,368	1,613	22,560	28,556	154,656	112,201
Cattle, n.o.p., weighing less than 200 lbs. No.	No.	7,770	7,022	22,188	17,028	115,060	118,438	367,205	341,977
Cattle, n.o.p., weighing over 700 lbs.....	No.	25,856	14,978	64,394	33,650	2,023,867	1,182,895	4,489,830	2,527,055
Horses, n.o.p.....	No.	829	665	2,489	1,883	99,908	83,781	208,330	252,992
Poultry, n.o.p.....	No.	3,149	4,262	27,937	15,246	1,230	2,699	20,520	10,550
Swine, n.o.p.....	No.	.....	.....	.....	.....	.....	.....	.....	.....
Fish, fresh and frozen—	No.	.....	.....	.....	.....	.....	.....	.....	.....
Clams and oysters, fresh.....	Cwt.	419	2,852	16,982	16,600	523	3,760	18,450	22,051
Scallops, fresh and frozen.....	Cwt.	259	933	1,613	2,545	4,096	23,961	32,356	54,590
Cod, haddock, hake, pollock, cusk, and rosefish, fresh and frozen, filleted (b).....	Cwt.	.....	12,603	.....	24,660	.....	118,186	.....	227,540
Other fish, fresh and frozen, filleted (b).....	Cwt.	.....	1,426	.....	9,054	.....	20,189	.....	129,041
Cod, haddock, pollock, hake and cusk, fresh and frozen, not filleted (included fillets prior to Jan. 1, 1940).....	Cwt.	5,993	8,346	48,839	18,593	45,777	43,370	308,359	93,040
Eels, fresh and frozen.....	Cwt.	.....	282	266	967	.....	1,128	2,147	5,251
Halibut, fresh and frozen, not filleted (included fillets prior to Jan. 1, 1940).....	Cwt.	5,673	6,212	17,435	15,935	58,058	75,075	187,164	187,168
Herring, sea, fresh and frozen.....	Cwt.	8,683	2,528	15,894	23,254	8,549	2,599	27,199	41,662

(a) From April 1, 1939. (b) From January 1, 1940.

(c) Quota for period Jan. 1-Dec. 31, 1940 (225,000 head), allocated 86.2 per cent to Canada and 13.8 per cent to other countries, equivalent to 193,950 head to Canada and 31,050 head to other countries. Maximum quarterly quota (60,000 head) allocated on same basis: Canada, 51,720 head, other countries 8,280 head.

(d) Effective December 23, 1939, the rate of 374c. per 100 lbs. applies also December 1 to last day of February.

CANADA'S DOMESTIC EXPORTS TO THE UNITED STATES OF PRINCIPAL COMMODITIES AFFECTED BY THE CANADA-UNITED STATES TRADE AGREEMENT
EFFECTIVE FROM JANUARY 1, 1939; ALSO UNITED STATES TARIFF RATES IN FORCE. (MONTH OF APRIL, 1939 AND 1940, AND FOUR
MONTHS ENDED APRIL, 1939 AND 1940).—Continued

Commodities	Quantities				Value				United States Tariff	
	Month of April		Four Months ended April		Month of April		Four Months ended April		Before first Agreement, i.e., 1935	Canada-United States Agreement, (Jan. 1, 1939)
	1939	1940	1939	1940	1939	1940	1939	1940		
ANIMALS AND ANIMAL PRODUCTS—Con.										
Fish, fresh and frozen—Con.										
Lobsters, fresh.....Cwt.	3,756	7,311	16,881	21,115	140,416	144,640	428,646	466,694	Free.	Free.
Mackerel, fresh and frozen (a).....Cwt.	398	41	3,061	5,088	2,477	222	15,098	22,893	2c. per lb.	1½c. per lb., if fresh; 1½c. per lb., if frozen.
Salmon, fresh and frozen (a).....Cwt.	2,459	2,120	6,952	8,078	33,305	26,387	70,370	76,111	2c. per lb.	2c. per lb.
Smelts, fresh and frozen.....Cwt.	25	39	50,201	41,484	217	217	460,706	359,998	Free.	Free.
Sturgeon, fresh and frozen (a).....Cwt.	13	43	451	759	281	1,467	20,291	24,990	1c. per lb.	1c. per lb., if not frozen.
Swordfish, fresh and frozen (a).....Cwt.	2	159	101	101	24	24	3,167	1,339	2c. per lb.	1c. per lb., if not frozen.
Fresh-water fish, other, fresh and frozen (a).....Cwt.	24,109	31,838	237,159	233,817	222,076	353,033	1,736,204	1,813,676	1c. per lb.	1c. per lb.
Fish, salted, dried, smoked or pickled—										
Cod, haddock, pollock, hake and cusk, dried.....Cwt.	1,790	1,779	27,011	16,989	11,404	15,048	182,044	130,898	1½c. per lb., if containing not more than 43% moisture.	1½c. per lb., if containing not more than 43% moisture.
Cod, pollock, hake, and cusk, green-salted.....Cwt.	58	413	17,448	18,629	213	1,725	56,352	53,869	1c. per lb., if containing more than 43% moisture.	1c. per lb., if containing more than 43% moisture.
Cod and haddock, smoked.....Cwt.	2,303	1,973	14,305	13,357	22,057	22,523	138,642	150,553	2c. per lb., if skinned or boned.	1½c. per lb., if skinned or boned.
Herring, sea, pickled.....Cwt.	85	295	2,962	5,946	219	955	8,860	20,938	3c. per lb. (filleted)	2c. per lb. (filleted)
Herring, sea, smoked.....Cwt.	478	291	3,688	5,174	2,455	2,610	20,048	50,921	1c. per lb., net weight.	1c. per lb., net weight.
Mackerel, pickled.....Cwt.	331	549	7,437	5,318	951	2,247	38,645	28,482	1½c. per lb., if not boned.	1c. per lb., if hard, dry-smoked.
Salmon, pickled.....Cwt.	554	554	320	3,580	20	11,650	6,826	74,494	1c. per lb., net weight.	1c. per lb., net weight.
Salmon, smoked.....Cwt.	1		6				132	25% ad val.	25% ad val.	15% ad val.
Fish, canned.....Cwt.	124	119	1,190	914	4,914	5,217	47,080	40,476	Free.	Free.
Fur skins, undressed—										
Beaver, fisher, lynx, mink, muskrat, and wolf skins, undressed.....No.	18,436	16,652	122,067	189,264	150,508	204,232	1,140,192	1,908,807	Free.	Free.
Fox skins, black and silver, undressed...No.	381	4,135	15,748	28,630	11,017	62,512	358,517	430,763	50% ad val.	35% ad val., subject to quota of 100,000 skins, of which 58.3% allocated to Canada.
Hair and bristles.....Sq. ft.	73,651	2,550	999,167	483,674	17,568	54,351	81,038	189,648	Free.	Free.
Leather, patent.....Sq. ft.					15,098	656	201,729	105,954	15% ad val.	7½% ad val.
Bacon and hams, shoulders and sides.....Cwt.	403	335	2,139	1,470	14,845	11,673	74,915	49,709	3½c. per lb.	2c. per lb.
Pork, fresh, chilled and frozen.....Cwt.	1,847	1,789	7,121	6,591	35,298	33,158	137,480	120,499	2½c. per lb.	1½c. per lb., if fresh or chilled.
Pork, dry-salted.....Cwt.									3½c. per lb.	2c. per lb.

Pork, pickled, in barrels.....	Cwt.	335	2,606	1,183	5,579	9,572	36,814	20,006	76,686	3c. per lb., but not less than 20¢ ad val.	2c. per lb., but not less than 15¢ ad val.
Edible animal entrails, n.o.p.....	Cwt.									3c. per lb., but not less than 15¢ ad val.	
Milk products—											
Cheese.....	Cwt.	1,623	208	8,302	2,787	28,012	4,982	143,318	56,908	7c. per lb., but not less than 35¢ ad val.	4c. per lb., but not less than 25¢ ad val. if cheddar cheese, not further processed than divided into portions.
Cream.....	Gal.									5½¢c. per gal.	28¢c. per gal. in excess of 1,500,000 gals. during any calendar year.
Milk, fresh.....	Gal.	144	232	1,048	867	54	70	393	264	6½¢c. per gal.	3½¢c. per gal. on imports in excess of 3,000,000 gals. during any calendar year.
Whale oil.....	Gal.									5c. per gal. if sperm oil.	2½¢c. per gal. if sperm oil
Wood, Wood Products and Paper											
Christmas trees.....	No.	88,204	77,168	263,651	273,370	8,512	6,788	18,587	17,996	10% ad val.	5% ad val.
Fence posts.....	No.	12,100	12,155	62,330	51,287	36,416	31,817	23,780	22,853	Free.	Free.
Telegraph and telephone poles.....	No.	11,277	3,258	51,246	58,188	6,619	2,164	201,688	106,470	Free.	Free.
Railroad ties.....	No.	2,392	2,469	17,137	13,518	12,126	10,911	53,280	60,633	Free.	Free.
Firewood.....	Cord	9,845	14,856	38,915	43,610	26,126	34,885	112,178	69,213	Free.	Free.
Laths.....	M	11,396	17,380	51,730	54,149	141,972	216,131	585,566	721,146	Free.	Free.
Logs.....	M ft.	2,134	2,399	10,709	4,923	16,985	24,637	75,002	50,088	Free.	Free.
Pickets.....	M	72	2,100	13,995	4,560	7	252	1,341	937	\$1 M ft. b.m. if fir spruce, pine, hemlock, or larch.	50c. per M ft. b.m. if fir, spruce, pine, hemlock, or larch.
Piling.....	Lin. ft.									Free if other kinds.	Free if other kinds.
Planks and boards and square timber—	M ft.	20	7	69	109	1,164	406	4,042	4,320	8% ad val. if maple, birch or beech.	4% ad val. if maple, birch or beech.
Flooring of hardwood.....	M ft.									Free, but subject to \$3 M ft. b.m. revenue tax.	Free, but subject to \$1.50 M ft. b.m. revenue tax.
Planks and boards, hardwood, n.o.p., and square hardwood timber.....	M ft.	2,394	3,423	13,533	14,009	99,939	148,271	555,750	618,706	Free, but subject to \$3 M ft. b.m. revenue tax.	Free, but subject to \$1.50 M ft. b.m. revenue tax.
Planks and boards and square timber, softwood.....	M ft.	29,825	51,010	174,735	164,922	752,279	1,342,659	4,075,311	4,645,311	\$1 M ft. b.m. and \$3 M ft. b.m. revenue tax, if fir, spruce, pine, hemlock or larch.	50c. M ft. b.m. revenue tax, if fir, spruce, pine, hemlock or larch.
Pulpwood.....	Cord	18,690	27,799	156,983	225,439	116,093	292,052	1,031,681	1,609,158	Free, but subject to \$3 M ft. b.m. revenue tax if other woods.	Free, but subject to \$1.50 M ft. b.m. revenue tax if other woods.
Shingles.....	Square	230,202	285,034	1,052,071	867,195	643,557	750,041	2,973,350	2,288,737	Free.	Free.

United States reserves right to impose duty not to exceed 25c. square on red cedar shingles in excess of 30% United States consumption.

CANADA'S DOMESTIC EXPORTS TO THE UNITED STATES OF PRINCIPAL COMMODITIES AFFECTED BY THE CANADA-UNITED STATES TRADE AGREEMENT
EFFECTIVE FROM JANUARY 1, 1939; ALSO UNITED STATES TARIFF RATES IN FORCE, (MONTH OF APRIL, 1939 AND 1940, AND FOUR
MONTHS ENDED APRIL, 1939 AND 1940).—Concluded

Commodities	Quantities				Value				United States Tariff	
	Month of April		Four Months ended April		Month of April		Four Months ended April		Before first Agreement, i.e., 1935	Canada-United States Agreement, (Jan. 1, 1939)
	1939	1940	1939	1940	1939	1940	1939	1940		
WOOD, WOOD PRODUCTS AND PAPER—Con.										
Staves and headings.....									Free if staves.	Free if staves.
Wood pulp.....	797,337	1,352,811	3,385,016	5,125,345	1,875,766	3,493,440	7,919,165	12,525,715	Free.....	Free.
Paper.....										
Book paper, and newsprint paper, multi-lated, or beater stock.....	19,741	54,885	98,863	235,351	21,192	83,912	107,971	344,318	1c. per lb. and 10% ad val.	1 1/2c. per lb. and 5% ad val.
Newsprint paper.....	2,942,563	4,245,108	12,214,605	14,334,457	6,375,794	9,653,231	26,418,227	31,148,092	Free.....	Free.
Pulpboard for wallboard.....	17,069	18,635	75,018	65,113	29,753	39,134	136,113	133,902	10% ad val. if pulpboard in rolls, not processed; but not less than 15% or more than 30% ad val. if pulpboard in rolls, processed.	5% ad val. if pulpboard in rolls, not processed; 15% ad val. if pulpboard in rolls, processed.
IRON AND ITS PRODUCTS										
Castings of iron and steel, n.o.p.....	34	28	627	133	305	1,397	3,541	1,943	20% ad val. if of iron....	10% ad val. if of iron.
Farm implements and machines and parts (except garden and farm tools and spades and shovels and parts).....	436	544	2,736	2,357	155,739 11,850	276,869 15,769	634,948 63,252	783,047 65,302	Free.....	Free.
Ferro-silicon.....									2c. per lb. on silicon content.	1c. per lb. on silicon content when containing 8% but less than 30% of silicon.
Spiegeleisen.....	1,987	111	7,669	390	61,847	4,118	233,201	13,917	75c. per ton (2,240 lbs.).	75c. per ton (2,240 lbs.).
Ferro-manganese and other ferro-alloys, n.o.p.....	1	75	93	300	23	11,253	3,819	46,025	1 1/2c. per lb. on manganese content if ferro-manganese; 2 1/2c. per lb. on chromium content when containing not less than 3% of carbon if ferro-manganese; 1 1/2c. per lb. on chromium content when containing not less than 5% of carbon, if ferro-chrome.	1c. per lb. on manganese content when containing not less than 4% of carbon if ferro-manganese; 1 1/2c. per lb. on chromium content when containing not less than 3% of carbon, if ferro-chrome.
Skates.....	37,137	1,039	94,982	21,852	27,136	885	65,487	23,061	20% ad val.	15% ad val.
NON-FERROUS METALS AND PRODUCTS										
Aluminium in bars, blocks, ingots, sheets, etc.....			29,084	33,575			411,970	472,363	4c. per lb., if crude.....	3c. per lb., if crude.
Aluminium scrap.....	947	500	2,454	3,417	900	9,088	22,750	41,107	3c. per lb.	3c. per lb.
Cadmium.....			22				10		15c. per lb.	7 1/2c. per lb.

Cobalt, contained in ore.....	Cwt.	207	100	557	22,204	11,321	59,014	Free.....	Free.
Cobalt, metallic.....	Lb.	646	6,056	15,726	13,676	124,486	304,625	Free.....	Free.
Nickel, contained in oxide.....	Cwt.	95,073	288,445	356,246	2,614,808	7,210,522	9,795,897	Free.....	Free.
Nickel, fine.....	Cwt.	11,600	32,299	40,602	18,885	49,195	62,392	Free.....	24c. per lb.
Selenium and salts of.....	Lb.	22,362	.....	150,445	9,200	.....	187,389	Free.....	Free.
Zinc, contained in ore.....	Cwt.	4,000	46,560	16,000	30,385	152,640	50,033	1½c. per lb. on zinc con- tent.	1½c. per lb. on zinc con- tent.
Zinc spelter.....	Cwt.	.....	.....	.....	.....	.....	.....	1½c. per lb.	1½c. per lb.
Non-Metallic Minerals and Products									
Abrasives, artificial, crude, including car- borundum.....	Cwt.	128,065	356,590	572,766	213,251	879,038	1,665,647	Free.....	Free.
Asbestos, crude; asbestos milled fibres; and asbestos waste, refuse or shorts.....	Ton	15,562	55,095	61,170	386,189	589,594	2,325,175	Free.....	Free.
Basic refractory materials, dead-burned.....	Ton	.....	150	.....	.....	3,557	.....	30% ad val.	20% ad val., if containing 15% or more of lime.
Coal tar and pitch; creosote oil; and coal tar oils, n.o.p.....	Cal.	168,915	1,012,821	1,605,939	17,357	88,242	171,529	Free.....	Free.
Feldspar.....	Ton	90	1,398	3,103	1,628	9,303	18,876	50c. per ton (2,240 lbs.), if crude;	25c. per ton (2,240 lbs.), if crude;
Gypsum or plaster, crude.....	Ton	15,632	120,803	205,371	28,902	143,458	206,875	30% ad val. if ground.....	15% ad val., if ground.
Lime, building.....	Cwt.	6,892	18,068	35,999	11	8,344	14,361	Free.....	Free.
Lime, n.o.p.....	Cwt.	602	33,460	74,502	152	12,891	20,300	5c. per 100 lbs., if lime- stone crude;	24c. per 100 lbs., if lime- stone crude;
Nepheline syenite.....	Ton	2,840	8,085	10,150	5,910	30,715	51,733	12c. per 100 lbs., if hy- drated;	6c. per 100 lbs., if hy- drated;
Quartzite.....	Ton	150	.....	195	226	.....	293	10c. per 100 lbs., if other.....	5c. per 100 lbs., if other.
Sand and Gravel.....	Ton	1,731	2,039	5,137	94	1,169	3,174	Same rates as above.....	Same rates as above.
Talc.....	Cwt.	9,188	39,718	27,913	6,101	21,031	14,947	Free, if crude;	Free, if crude;
Chemicals and Allied Products									
Acetic acid.....	Cwt.	.....	2,505	.....	.....	11,862	.....	30% ad val., if ground.....	15% ad val., if ground.
Acetylene black.....	Lb.	252,288	670,716	1,054,635	14,397	70,814	112,632	Free.....	Free.
Soda and sodium compounds.....	Cwt.	53,232	176,276	233,566	192,874	676,878	810,186	1½c. per lb., if not over 65%;	1c. per lb., if not over 65%;
Vinyl acetate and synthetic resins made therefrom.....	Lb.	17,005	117,462	77,414	8,525	55,251	27,217	2c. per lb., if over 65% ad val.	1c. per lb., if over 65% ad val.
Miscellaneous Commodities									
Junk, except metallic and rubber.....	Cwt.	1,366	5,133	9,334	4,997	23,261	30,573	Free, if sodium cyanide, Free, if sodium cyanide.	Free, if sodium cyanide, Free, if sodium cyanide.
Organs and parts.....	No.	.....	1	3	.....	61	11,909	6c. per lb. and 30% ad val.	3c. per lb. and 15% ad val.
.....	.....	.....	.....	.....	.....	.....	.....	10% ad val.	7½% ad val.
.....	.....	.....	.....	.....	.....	.....	.....	35% ad val., if pipe organs and parts;	17½% ad val., if pipe organs and parts;
.....	.....	.....	.....	.....	.....	.....	.....	40% ad val., if pipe- organ player actions (church);	20% ad val., if pipe- organ player actions (church);
.....	.....	.....	.....	.....	.....	.....	.....	60% ad val., if pipe- organ player actions (other).	30% ad val., if pipe- organ player actions (other).

veneers and plywood under the united kingdom timber control

L. H. AUSMAN, ASSISTANT TRADE COMMISSIONER

Bristol, April 30, 1940.—Two new Timber Control Orders have been issued by the Ministry of Supply to regulate dealings in veneers. Order No. 10, effective April 4, states that the No. 5 Order (as varied by the No. 6 Order) shall apply to veneers as it applies to boxboards, thus bringing veneers within the "acquisition" and "consumers" licensing system. It is announced that this Order does not apply to prices of veneers. Order No. 11, effective April 15, brings veneers under the import licensing regulations and provides that no person being in or ordinarily resident in the United Kingdom shall buy any veneer situate outside the United Kingdom except under authority of a licence granted by the Ministry of Supply. Contracts in writing entered into before April 15 are not affected by the terms of the No. 11 Order.¹

At the beginning of the war, when restrictions were imposed on the free use of timber and plywood, the veneer business assumed for the trade in general an importance which it had not held up to then. This was partly because firms who had hitherto imported or dealt in plywood sought to make up the deficiency by dealing in veneers, and partly because furniture manufacturers and others, faced with the prospect of having little or no plywood with which to continue operating their plants, were in many cases contemplating manufacturing their own plywood bases.

Importers and merchants, who anticipated a great increase in the manufacture of plywood in this country for government and general use, began to speculate heavily in veneers. There were no regulations covering veneers until January 1, when their importation was prohibited except under licence issued by the Board of Trade on the recommendation of the Timber Control.² This Order did not give any indication as to the circumstances under which veneers could be imported, of the views of the Control as to the manner in which the trade should be organized, or of the extent to which it would be made possible to manufacture plywood in this country from imported veneers. It did, however, regulate the expenditure of currency for imported veneers and tended to prevent an unwarranted rise in price due to speculation.

EFFECT OF THE NEW ORDERS

Although the Orders themselves are of necessity formal and somewhat complicated, the Timber Control has issued a "Notice to the Veneer Trade" under date of April 1, from which it is possible to obtain a fairly clear picture of the situation. In issuing copies of this Notice, the Control authorities emphasize that it is only a general outline and will be modified in the light of future developments.

In a preamble the Notice states that the views of several sections of the trade have been obtained, and that a scheme has been evolved which, it is hoped, will permit of the normal functioning of the trade so far as the limits imposed by war economy allow.

Three trade categories are referred to in the notice—consumers, importers, and agents. Veneers are divided into two main classes which are defined as follows:—

¹ Orders Nos. 1 to 5 are summarized in a report published in *Commercial Intelligence Journal* No. 1867 (November 11, 1939); and Orders Nos. 6 to 8 in *Commercial Intelligence Journal* No. 1884 (March 9, 1940). Order No. 9, effective April 2, provides that in certain restricted cases involving small quantities the maximum prices for timber supplied against an acquisition licence may be increased by 20 per cent.

² Reference is made to this regulation in a report entitled "Timber Trade Control in the United Kingdom" published in *Commercial Intelligence Journal* No. 1884 (March 9, 1940), page 364.

1. Face veneers are those which are ordinarily used for decorative purposes only, and, as such, exclude veneers of any wood suitable for the manufacture of plywood. This category includes among others oak, walnut, mahogany, bird's-eye maple, etc.

2. Utility veneers are those which may be used for plywood manufacture or from which plywood can be made. These may be said to include birch, Douglas fir, gum, aspen, poplar, beech, gaboon, etc.

Dealing first with face veneers, the procedure will be that *consumers* will be granted licences to buy from stocks in the United Kingdom but not from abroad, except in special circumstances. They will buy from *importers* who, in turn, will be granted licences to make purchases from abroad based on the extent of their business during the last three financial years ending prior to September 1, 1939. *Agents* may obtain permission to sell veneers from abroad to buyers in the United Kingdom. From this it would appear that the authorities have no objection at the present time to the purchase of decorative veneers from abroad provided buying is kept to the average level of the past three years.

As regards utility veneers, *consumers* will be granted licences to buy from stocks in the United Kingdom or from overseas if suitable material is not available locally. Consumers can, when in possession of such a licence, buy direct or through dealers or agents. In the latter event permission will be given to the dealer or agent to negotiate on behalf of the holder of the licence for the specific quantity and specifications involved. Licences will be granted to those consumers only who produce evidence that the material is required for the execution of government and similar contracts or who are specially authorized by the Timber Control to acquire such veneers. *Importers* will also be granted licences to buy abroad for stock such quantities as the Control may authorize from time to time. *Agents* may sell overseas supplies to importers or consumers who hold licences.

A member of the trade, commenting on the new regulations, was of the opinion that there would be very little buying of utility veneers for stock; purchasing, except of veneers actually cut in this country, will probably all be from abroad, either direct or through agents or importers acting as agents.

PLYWOOD

The position in regard to plywood is different. Since the formation of the Timber Control, that organization has been the sole purchaser of plywood, and licences to individual firms to import supplies are granted in only exceptional cases where the Control itself is not operating and its activities in other markets are not thereby affected. As far as veneers are concerned, the Control buys only special types for particular Service requirements.

WEST OF ENGLAND MARKET FOR CANNED HERRING

E. L. MCCOLL, CANADIAN TRADE COMMISSIONER

Bristol, April 29, 1940.—The war has led to an increased demand in the West of England for canned herring and already several contacts have been made between importers and new Canadian sources of supply. While people of all classes buy this commodity, the middle and working classes purchase the greater part of supplies of it. Large quantities are also being used by the troops. Due to the restriction of fishing in the North Sea, fresh supplies of herring are less plentiful and dearer than before the war. Fresh meat has also advanced in price. In consequence, many consumers have switched from fresh fish and meats and the more expensive brands of canned fish to canned herring.

REQUIREMENTS AND DEMAND

The most popular pack of canned herring is one with plenty of thick, bright red tomato sauce. For many persons the fish in its own oil is too rich, and some medium is needed to neutralize or take up the over-supply of fat. Dark tomato sauce gives a definitely forbidding appearance to the fish; therefore, every effort should be made to have a bright red sauce.

There is a good demand for canned fish at inland towns, as fresh fish is not always obtainable. Further, under present conditions there is frequent call in every household for a quickly and easily prepared meal. Canned fish meets this requirement. There are many kinds of canned fish, however, which are preferred to herring. Thus herring canners are confronted with the necessity of making their product attractive, both in appearance and taste.

The canning of fruit and vegetables, as well as of fish, along modern lines is a comparatively new industry in the United Kingdom. During the first Great War there arose a demand for canned herring and a number of modern factories was built to supply it. Canning gave a considerable fillip to the fishing industry, and the canning of herring, at first hastily organized and of somewhat makeshift nature, developed into an efficient industry, equipped for packing according to the best standards. After the return of peace, the demand for canned herring declined to pre-war dimensions. The public reverted to fresh fish, meat, fruits, and vegetables. Where canned fish still remained in demand, herring was not considered sufficiently tasty as compared with the other more appetizing varieties of fish offered. The present war has again raised the demand for this product. If attractive packs, both in appearance and flavour are developed, the wartime consumption may continue, in greater measure than before, into the period of reconstruction which will follow the war.

There are six large producers of canned herring in the United Kingdom. The majority of these are packing other varieties of fish as well, but together they are said to have a capacity of approximately one million cases of herring per annum.

BRANDS AND LABELS

A few overseas packers label some of their goods with their own brand and some with that of the importer. In the former case the producer establishes a demand for his own product; in the latter he satisfies the distributor, who wishes to advance his own label. There is much to be said in favour of this dual system. A real effort is made by national producers to attract the eye of the shopper by means of the label. As well as being artistically designed, they carry catchily-phrased slogans.

SOUTH WALES INDUSTRY AND TRADE IN 1939

L. H. AUSMAN, ASSISTANT TRADE COMMISSIONER

Bristol, April 26, 1940.—Owing to regulations imposed at the outbreak of war, statistics of the trade of the South Wales ports and of the principal industries of the area are not available for the last four months of 1939. Consequently it is not possible in this report to show comparative figures for that year and previous years. For purposes of record, however, the position up to the end of August, 1939, is briefly reviewed.

TRADE OF THE PORTS

By courtesy of the Great Western Railway Docks Department, statistics have been compiled for the ports of Cardiff, Swansea, Newport, Barry and Port Talbot, which show Canada's share of the trade of these ports. Owing

to present conditions, these figures were not available as early as in previous years. The data in this section apply to the period January 1 to August 20.

PORT ACTIVITY

Vessels arriving at the South Wales ports during the period under review, including those engaged in coastwise trade, totalled 11,893 with a net registered tonnage of 9,074,723; the number from Canadian ports was 107 with a net registered tonnage of 302,952. During the whole of the year 1938 a total of 18,278 vessels arrived, of which 145 came from Canadian ports.

IMPORTS

The following table shows the imports of merchandise into South Wales ports from all sources and from Canada during the first eight months of 1939:—

	January-August, 1939	
	Total Imports	From Canada
	Tons	Tons
Iron ore	766,489	.....
Copper and other ores	163,865	.....
Iron and steel (incl. pig iron, billets, bars, etc.)	386,363	50,750
Timber and deals	212,524	79,449
Pitwood and mining timber	425,386	2,809
Grain and flour	291,594	43,935
Oil	451,038	78
Building sand	92,948	.....
General merchandise	381,356	47,219
Ballast	313	.....
Total	3,171,876	224,240

In addition to the foregoing, 1,115 head of cattle and horses were recorded as arriving from Canada and none from other countries.

Total imports in the twelve-month period of 1938 amounted to 3,909,124 tons, of which 256,646 tons were credited to Canada.

Included under the heading "General Merchandise" in the foregoing table are the following items of special interest to Canada, totalling 47,219 tons: nickel matte, 20,889 tons; zinc concentrate, 6,659; apples, 1,792; hay, 1,226; canned goods, 1,067; lard, 811; cheese, 582; evaporated milk, 30; other goods, 14,163 tons.

EXPORTS

Total export shipments from South Wales ports in the eight-month period amounted to 13,323,427 tons as compared with 20,619,301 tons during the whole of 1938. Of these quantities Canada took 788,722 tons and 1,303,062 tons in the respective periods. As usual, over 90 per cent of the exports from this area consisted of coal and coke.

The following table shows the exports of merchandise from South Wales ports to all countries and to Canada during January-August, 1939:—

	January-August, 1939	
	Total Exports	To Canada
	Tons	Tons
Coal and coke	12,208,507	748,373
Patent fuel	386,569	.....
Iron and steel rails and ironwork	87,446	40
Steel tubes	5,568	741
Steel sheets	7,977	4,022
Timplates	237,919	30,658
Blackplates and galvanized sheets	16,813	2,214
Cement	35,813	.....
Oil	209,786	1,121
Grain and flour	52,175	.....
General merchandise	74,180	1,053
Ballast	674	500
Total	13,323,427	788,722

Shipments to Canada were carried in 233 vessels with a net registered tonnage of 625,829.

TIMBER TRADE

Generally speaking the timber trade in South Wales experienced a fairly good period up to the outbreak of war, and prices showed a gradual strengthening. During March the international situation caused a slight setback in current demands, but the forward market remained firm, and shippers' prices were strong. During the early summer heavy shipments of timber and deals were discharged at the docks, as well as a large quantity of doors from Canada. Throughout the year an average of nine ships unloaded at Welsh ports each week, the peak being reached in July, when the figure was twenty for one week.

There was a steady demand for timber, and large quantities were consumed under the many schemes being carried on by government contractors and local municipal builders. Work on housing estates was active during the first part of the year, but towards the end house-building, along with other structural activities that were not of national importance, ceased. The ship repairing industry, on the other hand, experienced an active year, wartime influences having given it a decided fillip.

The control organization set up at the beginning of the war changed the situation materially. Stocks of timber were built up to be subsequently released on a quota basis. The ordinary channels of trade have been utilized as far as the essential requirements of the nation permitted.

PITWOOD

At the beginning of 1939, although prices remained steady, the demand for pitwood was slow, and in March the consumption of mining timber was the lowest in two years. As coal exports improved during the spring and summer months, there was a better demand for timber, and total imports for the first seven months of the year were about equal to those for the corresponding period of 1938. When autumn came Baltic ports were closed, and on the outbreak of war mining timber was placed under the control of the Ministry of Supply. The possibility of obtaining supplies from other sources was investigated, and contracts were signed for purchases of considerable quantities from Eastern Canada. As far as the South Wales coal fields were concerned, however, France and Portugal remained the principal suppliers, the Canadian shipments going, for the most part, to the North of England.

At the beginning of the year French pitwood sold at 22s. 1½d. per ton, the price set for the last quarter of 1938. In March it was 22s., but shortly after, as a result of a decision of the Mixed Commission, which sets the price, a reduction of 3d. per ton was announced, bringing quotations to the lowest in five years. Ruling prices of Portuguese wood were about the same as for French.

IMPORTS

Imports of pitwood and timber and deals into the South Wales ports of Cardiff, Swansea, Newport, Barry, and Port Talbot during the period January 1 to August 20, 1939, by countries of origin were as follows:—

	Pitwood Tons	Timber and Deals Tons
Canada	2,809	79,449
Newfoundland and Labrador	9,606	.....
United States . . . . .	.....	7,684
Nicaragua . . . . .	.....	1,084
Soviet Russia	43,112	40,990
Poland	2,922	6,243
Sweden	10,169	31,017
Finland	51,493	28,071

	Pitwood Tons	Timber and Deals Tons
Danzig	3,174	3,543
France	228,023	5,716
Portugal	72,252	2
Norway . . . . .	.....	3,709
Latvia . . . . .	.....	8,447
Holland . . . . .	.....	30
Denmark . . . . .	.....	40
Germany . . . . .	.....	619
Ireland	1,091	.....
Australia . . . . .	.....	18
Coastwise . . . . .	.....	64
Total	424,651	216,726

COAL

Throughout 1939, business in the South Wales coal trade was influenced chiefly by political events. The unsettled conditions in the early part of the year reacted sharply both on the inland and export business, and the collieries and docks became very active under the combined pressure of large orders from abroad for the replenishment of stocks and of the increasing coal requirements of the iron and steel and other manufacturing industries at home. By the middle of July, however, the expansion of export trade was arrested, and shipments from Bristol Channel ports to foreign destinations fell off somewhat. With the outbreak of war in September, however, coal production, like the other basic industries of the country, came under the control of the Government, and since then economic considerations have been subordinated to those of military and naval necessities.

Under the Defence Regulations, which became operative as from September 3, publication of the statistics of the industry was suspended, and comparative figures of production and supply are therefore available for the first eight months of the year only. It is not possible therefore to review the South Wales coal trade as comprehensively as in previous year. A few comments will serve to indicate trends in the industry up to the outbreak of war.

PRODUCTION

During the period under review the trend of business was less favourable to South Wales than to the other coal-fields of the country. The Mines Department returns of production for the thirty-four weeks ended August 26, 1939, showed an increase over that of the corresponding period of 1938 of 1·7 per cent for the country as a whole but a decrease for South Wales and Monmouthshire of 1·3 per cent.*

EXPORTS AND INLAND SUPPLIES

The Bristol Channel ports benefited little from the expansion early in 1939 in the demand for British coal from Germany and the Baltic countries and suffered to a comparatively greater extent than the other exporting districts of the United Kingdom from the severely restrictive import policy of France and the cessation of exports to Spain during the civil war. The relatively poorer showing in exports from this district, which were about equal to those in 1938, was balanced to some extent by an increase of 8 per cent in the supplies for inland consumption.

It is of interest to note that of the total inland supplies of the industry as a whole, the South Wales proportion in the first eight months of 1939 was

* In a recent statement in Parliament the Secretary for Mines said that the production of coal in South Wales in January and February, 1940, was substantially higher than in the corresponding period of 1939.

9·7 per cent as compared with 9·3 per cent in the corresponding period of 1938. Its share of the national export supply was 38·6 per cent as against 40 per cent.

Although complete figures for the year are not available, up to the end of August, 1939, total exports, both cargo and bunker, of all classes of coal amounted to 11,814,173 tons. Separate figures showing countries of destination are not available for exports from the South Wales coal-fields, but as far as the anthracite trade with Canada is concerned, this area is the principal source of supply in the United Kingdom. A total of 670,529 tons was shipped to Canada and Newfoundland during the first eight months of 1939 as compared with 659,695 tons in the same period of 1938.

PRICES

Under the regulation of prices, the coal marketing schemes had to contend during the earlier months of the year with a falling market, the declared average f.o.b. quotations in August being 1s. 3½d. per ton lower at the South Wales ports than in January. Some collieries, however, had the advantage of long-term contracts, and this, together with a better inland trade, resulted in the pithead proceeds on all sales being more stable, averaging 18s. 9d. in the first half of the year as compared with 18s. 8d. in the same period of 1938.

EMPLOYMENT, WAGES AND PROFITS

Employment in the coal industry was more regular than in 1938, but up to the outbreak of the war there had been a decrease in the number of persons employed, owing in large measure to the enlistment of miners in the civil defence and armed forces. In South Wales this decrease was from 131,000 in January to 128,800 in August.

Wages in South Wales improved, averaging in the June quarter 11s. 0½d. per shift. This compares with 11s. 6¼d. for the industry as a whole but, as the number of shifts worked per week was higher in South Wales, the earnings of the Welsh miners were above the average for the industry generally.

Costs of production other than wages also increased by about 2½d. per ton and, as the pithead proceeds were practically the same in the first six months of 1938 and 1939 and the output a little lower last year, profits declined by 2½d. a ton as compared with an increase of 2¼d. per ton for the industry as a whole.

WARTIME CONTROL AND CONDITIONS

Under the Defence Regulations the Government virtually requisitioned the machinery for the regulation of production, supply and prices already in existence under the coal marketing schemes and also mobilized the organizations engaged in the distribution of coal. The Mines Department became the competent authority for the functioning of these services and is represented in the control of production and supply by coal supply officers in each of the seventeen areas, including South Wales, served by the district coal schemes, in the inland distribution by divisional coal officers appointed for each of the twelve civil defence areas, and in the export trade by coal export officers responsible for the administration of the licensing regulations. The principal objectives of control were: (1) the maintenance of output, (2) an uninterrupted flow of supplies to essential services, and (3) as far as practicable the stabilization of prices.

Colliery prices cannot be altered except on the authority of the Mines Department. There were three price variations, however, in South Wales between September 3 and November 3. With the cancellation on September 3

of contracts containing war clauses, the owners were allowed, subject to the completion of the delivery of cargoes to vessels already stemmed and ready within 30 days, to raise the level for renewed low contracts to the average contract price level. A few weeks later they were given authority to raise export prices to the level of the permitted inland prices, and as from November 3 the prices on all new sales were raised by 1s. 4d. per ton, also those under inland contracts which did not contain any clause allowing for an increase of price by 1s. per ton to meet the cost of a war wage of 8d. per shift for adults and 4d. per shift for boys and of dearer colliery materials, particularly pitwood.

During recent years the production and sale of coal have been controlled. Although this system has been the object of some criticism, it was considered on the whole to be beneficial. The war has now brought another type of control and with it many problems, but by the end of the year the difficulties were being straightened out and arrangements completed whereby shipments were proceeding on a fairly satisfactory basis.

The elimination of German competition, together with a huge increase in the domestic demand of the Reich and the cessation of the Polish and Czecho-Slovakian trades, resulted in the opening up of a number of outlets for the Welsh coal trade more valuable than any since the last war.

PRODUCER GAS

A review of the Welsh coal trade under war conditions would not be complete without reference to producer gas as a fuel for road vehicles. The rationing of petrol and Diesel oil has focussed attention on this home-produced fuel and, as any considerable expansion in the use of producer gas plant will substantially increase the demand for anthracite and low-temperature coke and possibly also for dry steam coals, South Wales will benefit accordingly.

IRON, STEEL AND TINPLATE

During the past year the South Wales and Monmouthshire area was relatively the most active in the United Kingdom in the production of pig iron and ingot steel. The South Wales statistics of the British Iron and Steel Federation are available for the first seven months of the year only. In that period the output of pig iron totalled 641,100 tons as compared with 425,700 in the corresponding period of 1938 and that of steel ingots 1,656,900 tons as against 1,068,900 tons. These figures represent increases of 50·5 per cent and 55 per cent, respectively. For the country as a whole there was a decrease of 3 per cent in the output of pig iron and an increase of 14·4 in steel. The South Wales share of national production in 1939 was for pig iron 14·6 per cent as compared with 9·4 per cent in 1938 and for steel 21·9 per cent as against 16·2 per cent.

All the blast furnaces in the district were in operation, and but for the scarcity of scrap and interruptions for repairs the production of steel in South Wales would have been even greater.

TINPLATE AND STEEL SHEETS

Normally the tinplate industry absorbs the greater part of the steel produced in South Wales, but in the seven months ended July it consumed hardly 30 per cent of the local output of steel ingots. In the production of galvanized sheets, on the other hand, a much larger share than usual was consumed. Government orders for sheets for air-raid shelters and for tinplate for food canning were responsible for the increased steel sheet production. The number of mills in operation in the United Kingdom as a whole averaged 101 between January

and August as compared with 65 in the corresponding period of 1938. The output increased from 99,800 tons to 355,900 tons, and the proportion retained for home consumption from 35 per cent to nearly 80 per cent. Although statistics are not available since July, it is reported that the exceptionally high rate of production has been maintained.

Despite increased home consumption, the export trade did not improve. Up to the end of August the shipments of tinned, black and terne plates and sheets totalled only 226,247 tons as compared with 227,337 tons in the same period of 1938. Exports of galvanized sheets, however, increased from 88,180 tons to 101,991 tons. Details regarding destinations have not been published.

Tinplate officials draw attention to the new opportunities for the development of Welsh trade provided by the elimination of German supplies from the most important markets. Although not the foremost foreign competitor in the tinplate trade, that country was credited with 18 per cent of the world's exports before the war. With the blockade of German exports, it is possible to add many of her markets to those now served by South Wales.

PRICES

Prices were regulated and showed little movement until September. Hema-tite pig iron was reduced in July from 116s. per ton to 111s. per ton and increased to 120s. in November. Basic pig iron, after remaining stationary at 92s. 6d. until November, was then raised to 101s. 6d., the prices for both classes being subject to 5s. per ton rebate.

Steel billets were increased from £7 7s. 6d. to £8 7s. 6d. per ton in November, and sheet and tinplate bars from £7 5s. to £8 5s. per ton. Galvanized sheets were raised in September from £15 15s. to £17 5s. per ton, and as from November 1 to £18 12s. 6d. Tin plates, after ruling practically unchanged for nine months at 20s. 3d. per standard box f.o.b. for export and at 20s. 4½d. f.o.t. for the home trade, were increased at the end of October to 21s. 6d. f.o.t. for the inland trade, and on a rapidly rising foreign market from 31s. to 32s. f.o.b. for export.

OTHER INDUSTRIES

Although iron and steel production and coal mining are the predominant industries in the area, South Wales has a diversity of undertakings which, although on a smaller scale and of more local significance, make important contributions to the business life of the community. These include agriculture, fishing, shipbuilding and repairing, quarrying, building, brewing, the production of gas and electricity, and the manufacture of a wide variety of products ranging from wire rope and metal boxes to furniture, lingerie, and biscuits.

THE SCANDINAVIAN COUNTRIES IN WORLD TRADE

PREPARED BY THE INDUSTRIAL RESEARCH BRANCH, DOMINION BUREAU OF STATISTICS

The economy of the Scandinavian countries is organized for extensive participation in world trade. Denmark specializes in dairy products and bacon, and Sweden, Finland and Norway in forest products. All the countries of the group are obliged to import some of their food and fodder, Denmark and Norway being the most dependent on foreign sources for primary staples.

Altogether these four countries accounted during the calendar year 1938 for almost \$1,200,000,000 worth of exports, which is 5 per cent of the world total and 11 per cent of the total for Europe. Many of their export products are important exports of Canada, including newsprint, wood pulp, lumber,

butter, cheese, bacon, beef. In the aggregate their exports are about 50 per cent higher than those of Canada, and double Canada's in the commodities in which they specialize.

In 1938 Sweden was the eleventh country in the world in the value of its imports, and twelfth in exports. Denmark was exceeded only by New Zealand in exports per capita, and was fourth in imports per capita. Norway was second in the world in imports per capita but ninth in exports. Finland was slightly below Norway in exports, and thirtieth country in the world in absolute value of imports.

The following table shows the course of the foreign trade of the Scandinavian countries during the twelve calendar years, 1928 to 1939:—

Net Imports and Domestic Exports of Denmark, Finland, Norway and Sweden, 1928 to 1939

	Denmark		Finland		Norway		Sweden	
	Imports	Exports	Imports	Exports	Imports	Exports	Imports	Exports
Millions of Dollars								
1928	434	413	202	157	267	179	459	420
1929	456	433	177	163	284	200	478	488
1930	438	407	132	136	283	181	443	416
1931	361	326	87	112	221	119	377	295
1932	233	232	64	85	119	115	241	199
1933	252	240	81	109	151	127	261	256
1934	292	262	106	138	183	143	336	335
1935	283	267	116	135	202	148	375	329
1936	320	295	139	158	232	171	419	388
1937	369	346	203	204	317	201	538	508
1938	360	340	187	182	291	191	523	465
1939	369	335	(a)	(a)	330	195	622	469

(a) Not available.

In the following table exports of the Scandinavian countries in the calendar years 1937 and 1938 (only 1937 for Denmark) are shown by principal destinations:—

Exports from the Scandinavian Countries to Principal Countries, 1937 and 1938

	Denmark	Finland		Norway		Sweden	
	1937	1937	1938	1937	1938	1937	1938
Thousands of Dollars							
Austria	825	122	17	1,255	*	2,109	1,046
Belgium	7,344	9,197	5,662	8,355	6,495	18,819	13,969
Czecho-Slovakia	1,017	316	354	3,508	2,119	9,069	9,252
Denmark . . . . .	....	4,567	5,390	7,324	8,391	20,602	21,711
Finland	7,025	....	....	4,121	3,136	22,240	21,905
France	2,092	9,978	6,043	10,808	12,813	23,297	14,964
Germany	65,433	26,127	26,904	26,688	30,013	79,899	83,318
Italy	1,650	3,085	3,455	5,196	5,792	8,996	9,591
Netherlands	5,852	7,685	8,177	6,918	5,121	14,770	16,167
Norway	14,891	4,283	1,568	....	....	35,143	31,404
Poland	3,145	401	903	2,459	2,773	9,689	9,074
Portugal	378	242	182	2,539	3,692	1,298	1,365
Russia (U.S.S.R.) . . .	803	1,258	944	418	2,365	3,116	4,446
Spain	95	275	74	1,492	2,435	1,405	959
Sweden	15,837	5,772	5,060	16,425	17,104	....	....
Switzerland	3,860	464	349	1,277	1,574	3,448	3,271
United Kingdom . . .	181,638	88,085	77,725	51,397	47,894	115,109	107,969
Canada	437	61†	132†	624	608	2,536†	2,336†
United States	6,348	16,237	16,841	19,974	15,032	55,968	41,781
Argentina	1,377	2,485	2,845	2,920	2,452	7,958	8,778
Brazil	2,408	2,422	1,732	1,756	1,336	4,457	4,336
Australia	160	911	1,439	2,156	1,357	7,002	5,864
British India	872	†	†	1,721	1,599	5,293	4,718
China	328	663	597	1,856	704	3,926	2,028
Japan	424	2,145	944	5,914	4,916	12,194	6,669
Netherlands Indies . .	221	207	182	459	356	1,451	1,834

* Austria's trade with Norway is included with Germany's in 1938.

† These data are for British North America.

‡ Not separately recorded.

Denmark

Total Danish exports averaged \$340,000,000 in value during the three years 1937, 1938 and 1939. The United Kingdom has been Denmark's largest export market and has regularly provided an outlet for more than one-half of the total. Great Britain has been followed in importance by Germany, Sweden, and Norway, in the order named. Bacon has been the largest single item of Danish export in value, and exports in 1937 were valued at \$79,000,000, all consumed in the United Kingdom. Products of the dairy industry came next in importance among Denmark's exports. Butter shipments were valued in 1937 at \$77,000,000, of which two-thirds went to the United Kingdom and most of the rest to Germany. These two leading items accounted for almost half of Denmark's exports. Fresh hens' eggs were exported to the amount of \$28,000,000 in 1937, by far the largest part going to the United Kingdom, and the remainder largely to Germany. Another item of interest to Canadians is cheese, exports of which were valued at over \$3,000,000.

Despite her small population Denmark has been among the largest importers of wheat and corn in the world. In imports of wheat she was seventh among the world's countries in 1938; in imports of corn she was eighth, being exceeded only by countries of very much larger population. Danish purchases of fodder have been valued at over \$25,000,000 per annum. On these imports and a very small domestic supply more than three million cattle were supported. While this figure is exceeded in absolute numbers in many other countries, Denmark is outstanding in having a cattle population nearly as large as its human population, and a pig population of almost one pig per capita.

Denmark has held a most important place in the food supply of the United Kingdom. In 1938 the United Kingdom imported from all sources £30,920,000 worth of bacon, of which £15,941,000 was Danish. Denmark was second only to New Zealand as a source of butter for the United Kingdom, supplying to the value of £12,960,000 in 1938 out of a total value of £50,873,000. In eggs Danish shipments to the value of £4,645,000 were the most important contribution in a total of £12,378,000. In peace time the elimination of a competitor would be considered an advantage to Canada. In wartime the elimination of Denmark as a source of supply to the United Kingdom raises the different question as to whether Canada can adequately fill the gap.

Norway

Total exports from Norway in 1938 were valued at \$191,000,000. The most important country of destination was the United Kingdom, to which \$48,000,000 worth of merchandise was shipped in 1938. Germany was second, taking exports valued at \$30,000,000. Following these, in order of importance, were Sweden, the United States, and France.

Exports from Norway have been more varied than those of the other Scandinavian countries. The largest single group has been pulp and paper (\$42,000,000); followed by metals, raw or semi-processed (\$34,000,000); non-metallic minerals (\$32,000,000); and animal products (\$31,000,000).

Norway was the fourth largest exporter of paper in the world in 1938 and was third among the countries supplying the United Kingdom with paper and paper-making materials. Although exceeded in exports of most kinds of paper and pulp by Finland and Sweden, she has been the largest supplier in certain specialties, e.g., tissue paper (United Kingdom imports in 1938, £225,000), notepaper and pads (£6,632). First in importance of the paper-making materials imported by the United Kingdom from Norway was wet mechanical wood pulp, imports of which were valued in 1938 at £1,508,000. In this item the United Kingdom took 80 per cent of Norwegian total exports. On the other hand, Norwegian newsprint paper, of which 150,000 metric tons were exported

in 1938, was sent to many countries, and the largest buyer, Argentina, only received 15 per cent of the total.

Norway has been ordinarily a close second to the United Kingdom among the countries of the world in quantities of fish caught. Cod has been the most important in value, and herring the greatest in weight. These two fish make up two-thirds of the value of the Norwegian catch, which was valued at \$23,000,000 in 1938.

Sweden

Total exports from Sweden during the calendar year 1938 were \$465,000,000. The United Kingdom was Sweden's leading customer, taking goods valued at \$108,000,000, and was followed by Germany (\$83,000,000), the United States (\$42,000,000), Norway (\$31,000,000), Finland (\$22,000,000), and Denmark (\$22,000,000). Wood pulp and paper accounted for \$120,000,000 of the total value of exports, and non-precious metals for \$80,000,000, these two groups making up about 45 per cent of the exports. The United Kingdom has been the largest buyer of Swedish wet pulp, and the United States the largest buyer of dry pulp. Total exports of wood pulp to the United States in 1938 were valued at \$30,000,000 and to the United Kingdom at \$22,000,000. The United Kingdom was the largest buyer of paper, most of its purchases being wrapping paper. In the United Kingdom trade statistics Sweden has alternated with Finland as the largest supplier in most of the categories of wood pulp and paper.

Several countries have exceeded Sweden in wood pulp and paper production. However, most of these countries are much larger and have larger domestic consumption. Sweden has been by far the greatest exporter of wood pulp in the world, and in exports of paper has been second only to Canada.

The second largest group of commodities in Sweden's export trade has been non-precious metals and their products, valued in 1938 at almost \$80,000,000. Iron and iron goods, including a wide variety of machinery, form the bulk of this group. Unlike the other products of Scandinavia, Canada is interested in this group as a purchaser rather than as a competitor. Imports into Canada from Sweden in this group at over \$2,000,000 have ordinarily been more than double those from the other Scandinavian countries combined. In 1939 they included farm implements (\$408,000), ball and roller bearings (\$478,000), machinery (\$342,000), and tools (\$153,000).

Finland

Finnish exports in the calendar year 1938 were valued at \$182,000,000, of which \$78,000,000 went to the United Kingdom, \$27,000,000 to Germany, and \$17,000,000 to the United States. The exports of Finland have been even less varied than those of the other Scandinavian countries. The largest group has been pulp and paper at \$75,000,000 and the second largest wood and wood products at \$73,000,000. Together these two have accounted for well over 80 per cent of all Finnish exports in recent years. The only other group of importance has been foods of animal origin, exports of which were valued at \$15,000,000 in 1938.

In exports of wood and wood products Finland has nearly equalled her much larger neighbour, Sweden. Exports of wood pulp from Finland in 1938 amounted to 1,200,000 tons out of a production of 2,200,000 tons. Those from Sweden totalled 2,000,000 tons out of a production of 3,100,000 tons. In paper Finland has usually exported less than Sweden. Her exports in 1938 provided an exception to this rule, however, Finland being second only to Canada among the paper-exporting countries of the world in that year.

Sixty-five per cent of the gainfully occupied population of Finland is engaged in agriculture as compared with 35 per cent in each of the other three Scandinavian countries and about 30 per cent in Canada. For this reason and

because her agriculture is diversified, Finland has entered into world trade to a lesser degree than many other countries of equal size and wealth. Trade of Finland with Canada has been small. Canadian imports from Finland have rarely reached the value of \$100,000, and exports from Canada to Finland have been usually about \$500,000. The main item of Canadian export has ordinarily been wheat, and among Canadian imports the largest items have been granite monuments and cheese.

UNITED KINGDOM IMPORTS FROM DENMARK, NORWAY AND SWEDEN

FREDERIC HUDD, CHIEF CANADIAN TRADE COMMISSIONER IN THE UNITED KINGDOM

London, May 2, 1940.—The changed conditions in the Scandinavian countries as a result of the German invasion of Denmark and Norway has interrupted the United Kingdom's trade with those countries and with Sweden. These countries have been the source of a large volume of imports to meet the domestic requirements of the United Kingdom. The composition of these imports is of interest, therefore, in relation to new or widened opportunities for Canadian products and any consequent re-alignment of the Canada—United Kingdom trade position.

It is not yet possible to determine accurately the degree to which the United Kingdom's imports from the various countries have been cut off, but it is clear that compensatory imports will be required from other sources if the United Kingdom's requirements are to be maintained. Negotiations are already in progress regarding increased supplies from Canada of such products as newsprint, bacon, and ferro-alloys.

Denmark

The United Kingdom's imports from Denmark (including the Farøe Islands) in the year 1938 had a value of £37,739,858, having expanded progressively in previous years. The largest items in this trade were four of the following foodstuffs, the values shown being for 1938:—

Bacon	£15,880,299
Butter	12,956,597
Cheese	67,281
Eggs in shell	4,637,159
Milk, condensed, sweetened	207,395
Milk, condensed, unsweetened	50,327

Of raw materials imported into the United Kingdom from Denmark the following were the principal items:—

Hides and skins, undressed	£127,285
Non-ferrous alloys and scrap	171,732
Seeds, agricultural and horticultural clover and grass	171,504

Of imports of machinery, wholly or mainly manufactured, the only considerable item was machinery and parts thereof, which had a value of £635,070.

Norway

United Kingdom imports from Norway in 1938 had a total value of £10,536,003, having shown a steady expansion in recent years. The principal items comprising this total were as follows:—

Foodstuffs—	
Bacon	£ 48,644
Butter	60,252
Eggs in shell	69,227
Fish, fresh, cured, or canned	1,188,632
Oils and fats, edible, refined (including fish oil)	235,862

Raw Materials—	
Hides and skins, undressed	£ 436,328
Pulp of wood	2,211,306
Fish and marine, and animal oil, unrefined	161,858
Softwood, planed or dressed	178,609
Boxboard, softwood, sawn or planed	200,577
Manufactured Articles—	
Chemical manufactures and products	379,164
Iron and steel manufactures	573,708
Aluminium and aluminium alloys	469,282

Sweden

United Kingdom imports from Sweden during the year 1938 had a total value of £24,341,067, of which the principal components were as follows:—

Foodstuffs—	
Butter	£1,519,871
Eggs in shell	206,928
Bacon	1,144,041
Raw Materials—	
Hides and skins, undressed	181,558
Iron ore and concentrates	1,988,680
Pulp of wood	5,026,210
Softwood, sawn	2,762,400
Softwood, planed or dressed	1,983,635
Boxboards, softwood, sawn or planed	690,788
Pitprops	284,043
Manufactured articles—	
Chemical manufactures and products	167,641
Cutlery and hardware	79,745
Implements and tools and parts thereof	102,956
Machinery and parts thereof	926,573
Iron and steel and manufactures thereof: Bars, rods, angles, shapes and sections	291,388
Ferro-alloys, etc.	391,106
Pig iron	438,451
Tubes, pipes and fittings, wrought	364,920
Cardboard and millboard, etc.	717,999
Paper, packing and wrapping	1,870,743
Manufactures of wood and timber	430,994

IRELAND'S IMPORTS FROM FINLAND

JAMES CORMACK, CANADIAN TRADE COMMISSIONER

Dublin, April 22, 1940.—The invasion of Finland by the Russians has had the present effect of stopping all imports from that country into Ireland. Ireland, therefore, is now obliged to replace her former imports from Finland with supplies from other sources. Actually this situation will impose no undue hardship on this country, for the total value of imports from Finland does not normally exceed £500,000 per annum. However, Finnish supplies competed strongly with Canadian products and therefore the cessation of them should be of special interest to Canada.

COMMODITIES IMPORTED

In Ireland's official statistics, imports from Finland fall under approximately six main headings. The principal item is sawn softwood, including deals, planks and boards, as used by the building trades. Next in importance is newsprint paper, of which Finland supplies normally about one-third of the total requirements. Canada already enjoys a good volume of trade in this commodity and war conditions will now direct more business to Canadian suppliers who are in a position to compete. Following newsprint, in order of import value in 1938, are wood pulp for use by the local paper-making factories; plywood, which is imported in considerable quantities; cardboard for boxmaking, etc. Wood prepared for boxmaking, and telegraph poles come next, but the trade in these lines seems to vary considerably from year to year. Writing paper imports average annually between £4,000 and £5,000. Other items are dressed leather, unglazed packing and wrapping paper, sheets and slabs of fibre for

the building industry, and a few unimportant commodities classified under the heading "other articles."

The following table shows the total imports from Finland into Ireland in 1937, 1938 and the first eight months of 1939 (no statistics having been issued since the outbreak of war):—

	Quantity			Value		
	1937 Cwt.	1938 Cwt.	Jan.-Aug. 1939 Cwt.	1937 £	1938 £	Jan.-Aug. 1939 £
Domestic crockery, glazed	1,618	106	.....	2,875	130	.....
Wood and timber and manufactures thereof, sawn soft—	Sq. Ft.	Sq. Ft.	Sq. Ft.			
Plywood	842,290	3,126,738	1,667,700	10,577	25,230	16,094
Deals, planks and boards	47,495	47,252	26,501	220,671	221,499	118,967
Other sorts	142	44	358	817	228	1,611
Wood, prepared for boxmaking . . . . .	.....	951	.....	.....	10,701	.....
Telegraph and telephone poles . . . . .	.....	.....	.....	11,086	7,500	.....
Other descriptions . . . . .	.....	.....	.....	5,043	6,253	4,408
Leather, dressed	Cwt. 43	Cwt. 25	Cwt. 21	1,248	597	471
Paper and cardboard—	Ton	Ton	Ton			
Pulp of wood	1,425	2,644	2,726	11,502	32,253	26,709
Paper—	Cwt.	Cwt.	Cwt.			
Printing, not coated, news	120,022	126,491	111,718	52,143	70,295	53,745
Printing, not coated, other	2,839	2,258	271	2,338	1,994	278
Writing, in large sheets.	4,706	4,727	3,734	5,099	6,400	3,512
Packing and wrapping, unglazed . .	3,692	846	108	2,816	747	79
Packing and wrapping, glazed. . .	24,936	4,081	2,150	20,724	3,963	1,843
Imitation parchment and grease-proof paper	4,397	1,558	1,407	4,697	1,879	1,469
Cardboard, etc.	39,236	24,262	25,250	22,554	18,125	13,431
Other descriptions. . . . .	.....	.....	.....	2,970	4,352	827
Sheets and slabs of fibre, etc.	Sq. Yd. 45,997	Sq. Yd. 78,791	Sq. Yd. 49,577	2,177	4,304	2,696
Other articles. . . . .	.....	.....	.....	1,968	3,158	2,246
Total imports				381,305	419,609	248,386

AUSTRALIAN WHEAT AND FLOUR

Mr. Frederick Palmer, Canadian Trade Commissioner at Melbourne, cabled on May 15 with respect to the wheat and flour situation in Australia as follows:—

To date 196,000,000 bushels of wheat have been delivered to the Australian Wheat Board. The domestic demand is estimated at 38,000,000 bushels, leaving an exportable surplus of 158,000,000 bushels. Sales of wheat have amounted to 104,800,000 bushels. Of the 92,000,000 bushels sold overseas, 58,000,000 bushels have still to be shipped. There remain 66,000,000 bushels unsold. Prices realized have averaged 3s. 2½d. (approximately 57 cents Canadian) per bushel bulk basis less rail freight to ports. The liability assumed by the Federal Government for the 1939-40 harvest has amounted to £A26,250,000, of which £A23,500,000 has represented advances to growers for 195,210,000 bushels, the remainder representing freight, storage and administration costs. Government receipts to date amount to £5,000,000. In view of an anticipated carry-over of 60,000,000 bushels, the Federal Government, fearing plagues and an abnormal strain on storage facilities, are suggesting that growers reduce production for the 1940-41 harvest. Invocation of powers under the National Security Act to introduce compulsory wheat stabilization is stated by the Government to be unlikely. The present outlook for the flour trade is very quiet owing to difficulties in obtaining shipping space. Since the last cable, 100,000 tons of flour were sold to Japan. Export quotations for flour are £9 12s. 6d. (equivalent to \$33.88 Canadian) per ton in 49-pound calico bags and £9 7s. 6d. (equivalent to \$33 Canadian) per ton in 150-pound sacks. Freight rates to the Orient are firm, although signs of an increase in the number of ships available give hope that freight shortage will ease sufficiently to permit of the lifting of undelivered stocks.

ECONOMIC CONDITIONS IN SOUTH AFRICA JANUARY TO MARCH

J. C. MACGILLIVRAY, CANADIAN TRADE COMMISSIONER

Cape Town, April 18, 1940.—Business conditions in the Union of South Africa have continued on a satisfactory level during the first quarter of 1940. While the customary seasonal quietness prevailed in the larger centres, satisfaction is expressed by both wholesalers and retailers, who report little change in the general trend of business activity.

Secondary industries continued to make progress, and future prospects are considered favourable, as local manufacturing establishments are participating to an increasing extent in orders hitherto placed in overseas countries. A fuller development of domestic industry is also anticipated as a result of the establishment of an Industrial Development Corporation, which was foreshadowed in the national budget at the end of February. The functions of this corporation will be to facilitate and finance the establishment of new undertakings and the expansion and modernization of existing plants.

BUDGET

The budget presented by the Minister of Finance on February 28 illustrates the soundness of the financial position of the Union and the favourable outlook for the future. The Minister indicated that the budget for the fiscal year ending March 31, 1941, which included provision of £14,000,000 for defence purposes, should result in a deficit of £353,000. Interest in the budget centred on the Government's decision to revise the basis upon which the extraordinary profit of gold mining was calculated. In place of the appropriation by the Union of the proceeds of gold sales in excess of a fixed figure of £7 10s. per fine ounce, producers will now receive the full market price, subject to their bearing certain increased charges previously absorbed by the Government.

FINANCES

Loans to a total value of £6,000,000 were successfully floated on the local market by the municipalities of Cape Town, Port Elizabeth, and Johannesburg. Bank clearings are above the level of a year ago. Wholesale and retail price indices continue to advance. Building and construction work has been quiet.

FOREIGN TRADE

In the field of foreign trade there has been a striking increase in merchandise exports, the total value for the first quarter of the year being £11,460,000 in comparison with £8,381,000 for the corresponding period of 1939. The export value of wool increased from £2,949,000 to £3,640,000, that of corn from £249,000 to £660,000, and of diamonds from £451,000 to £857,000. All commodities and groups of commodities showed export increases with the exception of coal and copper, in which declines were recorded.

As regards imports, there was also an upward movement, the values for the respective three-month periods of 1940 and 1939 having been £26,413,000 and £24,451,000, the pre-war level thus being more than maintained in the first quarter of the present year.

NEW OPPORTUNITIES FOR CANADIAN SALES TO INDIA

PAUL SYKES, CANADIAN TRADE COMMISSIONER

Calcutta, April 23, 1940.—With the recent transfer of the Canadian Trade Commissioner's office from Calcutta to Bombay and coincident developments in India's import trade as result of the European situation, a large number of important inquiries for Canadian products have been received. The attention of Canadian exporters is directed to the existing situation wherein many goods which have formerly been procured from Europe are no longer obtainable and to the readiness of import firms in India to place contracts for similar or substitute materials as soon as other sources of supply can be found.

The range of commodities covered by inquiries received during recent months is a wide one; following is a list of articles for which local demand appears to be particularly insistent:—

Newsprint paper	Electric equipment
Wrapping papers	Patent medicines
Writing papers	Cutlery
Boxboards	Nails, bolts and nuts
Hardware	Plywood
Pipes and tubes	Wire and cables
Dyes	Chemicals
Men's hosiery	Miscellaneous textiles
Machinery	Railway equipment

It will greatly facilitate the work of this office in answering inquiries on behalf of Canadian manufacturers and in directing local importers and agents to competent sources of supply if all firms interested in the Indian market will forward a reasonable supply of samples, catalogues, and price lists (preferably c.i.f. main Indian ports) with the first communication. These should be accompanied by advices relative to proposed discounts or commissions to be paid to local connections, the type of firm with which agency or other business arrangements would be discussed, and any special requirements to which particular attention should be given.

The attention of Canadian exporters is directed also to the desirability of taking ordinary precautions in the case of inquiries being received from unknown firms in this country. This office will at all times be prepared to assist in supplying information as to the standing of such concerns and to offer suggestions on arrangements for export to the Indian market.

CANADIAN TRADE WITH THE NETHERLANDS IN 1939*

W. G. STARK, ASSISTANT COMMERCIAL ATTACHÉ

II

(During the period January-August the exchange value of the florin or guilder was approximately \$0.54 Canadian; from September 2 until the end of 1939 it was about \$0.59; one metric ton equals 2,205 pounds; one cubic metre equals 35.3 cubic feet.)

NOTES ON COMMODITIES IMPORTED FROM CANADA

The following comments are based on figures contained in the Netherlands preliminary trade statistics for 1939. As full details of imports from Canada with comparative figures for shipments in the previous year are not available, it is not possible to give values for all items.

Fish (Fresh or Frozen) and Shellfish.—Salmon is the principal variety of fish imported from the Dominion; there are also smaller shipments of halibut. Total purchases of Canadian fish declined from 50 tons (fl.30,000) in 1938 to

*Attention is directed to the date of this report, which was written on the assumption of continued Netherlands neutrality.—Ed.

37 tons (fl.23,000) in 1939, and of salmon alone from 38 tons (fl.28,000) to 25 tons (fl.20,000). The competition in salmon sales, which is keen, is mainly by Columbia and Fraser River suppliers. Netherlands smokers demand a firm and well coloured fish that will slice up nicely. The United States is the leading supplier, although Norway and Great Britain sent considerable quantities of salmon and France lesser amounts. In 1939 Holland imported a total quantity of 236 tons (fl.296,000) of salmon.

Until recently the import of practically all varieties of sea fish into Holland was restricted by quotas. These regulations have been withdrawn by royal decree of November 11, 1939, and the market is again an open one.

Rendered Animal Fats.—Arrivals of these, which used to be considerable, have now ceased.

Oleomargarine, Greases and Stearine.—Imports advanced from 4 tons (fl.1,329) in 1938 to 5 tons (fl.1,867). This was principally oleomargarine.

Honey.—Imports of Canadian honey increased more than fivefold during the year under review—from 57 tons (fl.14,000) in 1938 to 320 tons (fl.69,000). Buckwheat is the variety chiefly in demand in Holland, and shipments of this grade are from both Ontario and Quebec. Bakers and confectioners are the chief users, and the demand is good. The Netherlands imported a total of 6,286 tons (fl.1,178,000) of honey in 1939, of which Cuba supplied over 60 per cent. A report on the Netherlands market for honey was published in *Commercial Intelligence Journal* No. 1868 (November 18, 1939).

Animal Products.—Details of 1939 imports under this general heading are not yet available. In the previous year fishmeal was the main commodity included in this group, but, due to increasing demand in the United States, lack of shipping space, and rising freights, Canadian fishmeal prices appear to be far above Netherlands bids. Consequently imports from Canada under this group fell off from 823 tons (fl.93,000) in 1938 to 366 tons (fl.60,000). The latter figure includes 7 tons (fl.4,000) of animal organs for chemical or medicinal preparations and likely some casings and bladders and in addition a fair quantity of horse and cattle hair.

Cereals.—Holland's imports of cereals from Canada decreased sharply from the 1938 figure of 331,481 tons (fl.19,011,000) to 93,279 tons (fl.4,307,000), a drop of more than 70 per cent. This decline is spread over all grains, as may be noted from the statistical table showing imports of Canadian products into the Netherlands and the information in the section "Cereals."

Maize (corn) imports are composed entirely of United States supplies which formerly were shipped via the Great Lakes—Montreal route and thus erroneously listed as Canadian. Rye shipments have almost ceased, and imports of Canadian buckwheat have fallen off considerably. While purchases of oats increased in quantity, they were less in value. Arrivals of barley dropped off sharply, but the proportions of the reduction to be attributed to declines in Canadian shipments and to those of United States origin forwarded from Dominion ports cannot be ascertained. Purchases of all cereals are made by the Netherlands Government Purchasing Bureau. Offers are made to this body by the local representatives of foreign suppliers and, if accepted, the grain is delivered f.o.b. port of shipment, consigned to the Netherlands Government. The Netherlands authorities then make the necessary shipping arrangements.

Pulses.—This is a small item, imports of which amounted in 1939 to 2 tons (fl.300).

Seeds.—Arrivals of seeds declined from 26 tons (fl.17,000) in 1938 to 15 tons (fl.6,000). Grass seed is usually the main variety, followed by clover seed and a small quantity of miscellaneous vegetable seeds. Details of imports are not yet available.

Soya Beans.—Shipments of this important item, which includes soya beans forwarded from the United States via the St. Lawrence, are credited to Canada in the trade returns to the extent of 17,699 tons valued at over fl.1,000,000.

Peanuts.—In 1938, peanuts were recorded for the first time as being imported from Canada. There were no shipments in 1939, and it is probable that those for the previous year were only transshipment goods.

Cocoa Beans and Offal Thereof.—No details being available, it is probable that the 28 tons (fl.2,000) credited to Canada are returned or transhipped goods.

Fruits, Fresh and Dried.—Fresh apples to the amount of 1,338 tons (fl.126,000) were brought in from Canada in 1939. This is an increase over the 253 tons (fl.24,000) from the Dominion in 1938, but is not quite up to the 1937 shipments of 1,762 tons (fl.136,000). The United States supplied about 80 per cent of Holland's imports of fresh apples and Canada about 7 per cent. The volume of foreign supplies vary from year to year, according to the yield from the domestic apple crop.

There were no arrivals of dried apples from Canada, Holland's requirements being met exclusively from the United States, mainly the West Coast. Standard Oregon—Washington quarters appear to be the best sellers. A review of market conditions for dried and canned apples in the Netherlands was published in *Commercial Intelligence Journal* No. 1861 (September 30, 1939).

Potatoes.—Imports of potatoes were credited to Canada for the first time in 1939. It is not yet known whether the shipments of 41 tons (fl.5,000) are seed potatoes or were ultimately destined for reshipment.

Cattle Feeds.—Imports of Canadian feeds increased from 436 tons (fl.30,000) to a 1939 total of 604 tons (fl.40,000) and were made up almost entirely of linseed cakes. Chief supplier of these to Holland was the United States with over 90 per cent of the total. Imports are restricted by quota.

Hemp, Flax, etc.—There were no imports from Canada in 1939 as against 5 tons of flax waste in the preceding year.

Flowers, Bulbs, and Nursery Stock.—Details are not available with respect to total imports of 14 tons (fl.3,000) from the Dominion. Some are probably Japanese lily bulbs in transit through Canada.

Vegetable Products.—Imports under this general heading from Canada decreased from 211 tons (fl.16,000) in 1938 to 191 tons (fl.15,000). Details are not made available, even in the final statistics.

Ores.—The quantity of ores imported from Canada in 1939 increased more than eightfold. In 1938 a total of 1,410 tons (fl.47,000) of zinc ores was brought in, and these accounted for the total under this heading. Imports in 1939 were 9,298 tons (fl.396,000) of zinc ores and 2,743 tons (fl.30,000) of unspecified ores, making a total of 12,041 tons (fl.426,000).

Saltpetre and Fertilizers.—There were no shipments of these from Canada in 1939 nor previous to 1938; imports in the latter year were of chloride of potassium.

Iron, Steel, and Manufactures Thereof.—Arrivals from Canada in this group declined from 162 tons (fl.23,000) in 1938 to 26 tons (fl.6,000) for the year under review. Details are not available, but in 1938 imports were mainly of crude and pig iron with additional small quantities of iron and stable fittings and miscellaneous iron articles.

Copper, Bronze, and Brassware.—This item, next to wheat, is Holland's most valuable group of imports from Canada. The 1939 shipments comprised 1,522 tons (fl.676,000) of non-insulated copper wire and cable, 544 tons (fl.240,000) of rods, 315 tons (fl.135,000) of copper in blocks and 83 tons (fl.48,000) of miscellaneous articles. Total imports amounted, therefore, to 2,464 tons

(fl.1,099,000). Imports are mainly for the use of Netherlands electric wire and cable factories, but also for the electric and radio plants.

Lead and Works Thereof.—Arrivals from Canada totalled 102 tons (fl.14,000), made up of lead in blocks and rods. Shipments of this metal are spasmodic, and it is several years since any reached this market from the Dominion.

Non-Specified Metals and Products Thereof.—Greatly increased aluminium shipments are mainly responsible for the advance in imports from Canada under this heading, which rose from 29 tons (fl.21,000) in 1938 to 213 tons (fl.210,000). Of these, 188 tons (fl.197,000) were aluminium pig for the new rolling mill recently set up in this country. The rest of the arrivals under this general item, details for which are not yet released, are probably nickel, nickel waste and assorted metal manufactures.

Non-Specified Minerals and Products Thereof.—Arrivals from Canada advanced over 60 per cent in quantity and almost 100 per cent in value from 1,217 tons (fl.119,000) to 1,995 tons (fl.235,000) for the year 1939. Crude asbestos is the main component of the group, shipments of this mineral increasing from 795 tons (fl.94,000) in 1938 to 1,355 tons (fl.200,000). Canada thus supplied more than 50 per cent of all asbestos brought into Holland. Shipments of 639 tons (fl.33,000) of miscellaneous non- and semi-processed goods of mineral origin are also included in this item.

Wheat Flour.—Imports of Canadian wheat flour rose from 558 tons (fl.53,000) to 968 tons (fl.73,000). The United States is the principal shipper, almost 60 per cent of Holland's foreign purchases of flour being made from that country. During the first eight months of last year Manitoba offers were considerably above those from the Southwestern States, which were assisted by the subsidy premium.

Husked, Broken or Crushed Grains or Malt.—Arrivals under this heading are small—4 tons (fl.2,000) in 1938 and 6 tons (fl.3,000) in 1939. Details are not listed, but shipments probably consist of rolled oats. A large processing plant at Rotterdam supplies this market, and the demand for imported products has been more or less eliminated.

Flour Products, Non-Specified.—Imports from Canada declined from 535 tons (fl.52,000) in 1938 to 181 tons (fl.13,000). The main item last year was given as 515 tons (fl.48,000) of semolina, children's food, pudding powders, and similar preparations. Detailed figures for 1939 are not available, but will include a certain amount of Canadian macaroni.

Chemical Products.—Imports declined from 36 tons (fl.7,000) in 1938 to 1 ton (fl.1,000). The latter figure probably covers either unexposed theatre films or miscellaneous chemical goods. Canadian chemicals generally are not competitive with the products of the industries in Holland and nearby European countries.

Paints, Dyes, Lacquers and Varnishes.—Arrivals from the Dominion advanced from 81 tons (fl.18,000) in 1938 to 127 tons (fl.39,000). The trade returns only specify 14 tons (fl.17,000) of metal powders, probably bronze and aluminium. On the basis of the previous years' figures, the remainder is probably divided between iron oxides, lacquers, ochres, and carbon black. Deliveries of Canadian materials for the paint industry have advanced almost steadily during the past five years.

Vegetable Oils.—The 26 tons (fl.4,000) of vegetable oils imported from Canada are probably all returned or transhipped goods. Details are not available.

Crude Petroleum and Miscellaneous Derivatives.—Detailed figures for the 94 tons (fl.10,000) of these products brought in from the Dominion are not yet available.

Train Oils.—Until this year no shipments of train oils from the Dominion had reached the Netherlands since 1935. This product is used chiefly in the margarine factories and can only be profitably forwarded when the Holland market is particularly favourable. In the year under review Canada shipped 361 tons (fl.62,000) of the not hardened variety to this country.

Wax, Soap and Oil Products.—Imports of this item, at one time important, are now of little value. Toilet soap is the main article; the Canadian factory of one international concern formerly forwarded large shipments from Ontario to this market. For the past two years, arrivals under this heading have approximated 4 tons (fl.3,000) only, part of which is toilet soap and the remainder miscellaneous manufactures of oil, tar, wax, etc.

Lumber, Wood and Wood Products.—As a whole, shipments of various woods and forestry products from Canada to Holland have fallen off considerably—from 11,384 tons (fl.353,000) in 1938 to 3,823 tons (fl.276,000). Imports of pulpwood, which were so important in 1938, were not effected during 1939, and the increase in arrivals of lumber and wood-pulp was not sufficient to compensate for the lack of these shipments.

Under lumber, shipments of Douglas fir are the most important, having almost doubled those of 1938. Imports of logs and squared timbers rose from 1,426 cubic metres (fl.38,000) in 1938 to 2,771 cubic metres (fl.63,000) and sawn planks and boards from 562 cubic metres (fl.23,814) to 1,364 cubic metres (fl.50,000). Arrivals of sawn pine woods also advanced from 21 cubic metres (fl.1,224) to 176 cubic metres (fl.27,000).

Under the heading "finishing woods" in 1938 were included shipments of poplar, both logs and sawn; in 1939, however, there were no imports.

Wood, Non-specified.—Under this heading there were large imports of pulpwood—22,416 cubic metres (fl.193,000)—credited to Canada in 1938, as well as some small shipments of cooperage stock and miscellaneous woods. There was little business in these lines in 1939, only 16 tons (fl.1,000) having been brought in.

Wood Products.—This heading includes miscellaneous woodenware, such as bobbins, tongue depressors, wood shanks, pegwood, flooring, skewers and wooden forks and spoons. Detailed figures for individual items are not yet available, but together imports in the group accounted for fl.11,000. The main items are Douglas fir plywood and bleached sulphite wood-pulp. Arrivals of Canadian plywood showed little variation, being 391 tons in 1938 and 381 tons for the period under review, the value remaining unchanged at fl.69,000. Canadian wood-pulp arrivals advanced from 51 tons (fl.6,537) in 1938 to 637 tons (fl.54,000), mainly owing to the threatened cutting-off of Swedish and Finnish supplies for the domestic artificial silk industry as a result of hostilities in Europe.

Hides and Skins.—The quantity of hides and skins brought in from the Dominion has fallen off steadily during the past few years. Arrivals in 1939, which declined from 52 tons (fl.18,000) in the preceding year, amounted to 16 tons (fl.9,000) and, although particulars are not listed, will probably consist principally of raw salted cattle hides.

Leather.—Imports from Canada advanced from 3 tons (fl.8,000) in 1938 to 6 tons (fl.15,000). Horsehide for glove manufacturing, patent and certain upper leathers are probably the main items, although figures for individual imports are not available. Formerly all leathers were subject to quota regulations, but these were cancelled as from November 11, 1939, and entries are now free of restrictions.

Footwear.—Canadian footwear imported into Holland is principally rubber boots for fishermen. Imports declined from 8 tons (fl.9,000) in 1938 to 6 tons (fl.7,000) in 1939. The entry of these, as well as of running shoes, has been restricted since 1932 by quota regulations which have recently been cancelled.

Leather Products.—These are mainly workmen's and cyclists' leather gloves, although detailed figures of the arrivals of 5 tons (£16,000) are not available. There is a good demand for such gloves in Holland, but prices are keen and the domestic manufacture is increasing.

Yarns.—There were no imports in 1939; the 3 tons (£3,000) imported in 1938 were artificial silk yarns.

Textile Products (Sacks).—Second-hand jute bags are the main item under this heading, imports of which increased from 28 tons (£7,000) in 1938 to 1,010 tons (£206,000). Used sacks brought in from the Dominion advanced from 26 tons (£5,000) to 1,009 tons (£205,000); these were principally sugar sacks. Business volume depends on price, and Canadian quotations appear to have been more favourable during the period under review.

Clothing and Dressed Furs.—Arrivals in this group from Canada have increased in value from £21,000 in 1938 to £26,000. The chief items are rubber clothing, silk stockings, corsets, and brassieres. The rubber suits are sold to fishermen and also to the Government for use by the men engaged on defence works. Canada's shipments rose from 1,026 suits (£4,000) to 2,205 garments (£8,000). Silk stocking arrivals advanced from 153 dozen pairs (£3,000) to 380 dozen pairs (£6,000), and there are additional imports of considerable value by post. Imports of corsets and brassieres were lower, declining from 6,644 units (£8,000) to 5,110 units (£6,000). The remaining £6,000 worth of merchandise, for which detailed figures are not available, probably consist of underclothing, knitted garments, caps and berets.

Most articles of clothing still remain on the quota list, and opportunities for larger sales of Canadian silk stockings, underwear, men's shirts, etc., are correspondingly limited. Rubber garments, composed mainly of rubber cloth, and corsets and brassieres are excepted, imports of these being free of restrictions.

Wallboards.—Imports of Canadian fibre boards increased slightly from 478 tons (£66,000) in 1938 to 498 tons (£69,000). Sweden is the principal supplier, followed by the United States and Finland, with the Dominion in fourth place. To offset rising ocean freights and insurance charges, domestic sale prices have been advanced between 33½ and 40 per cent. Sizeable quantities from Sweden have been sent profitably by rail, requiring about 8 to 10 days in transit.

The building industry was fairly active during the first half of the year but was seriously affected by the outbreak of hostilities. In most cases, however, it was possible to complete buildings under construction. The severe frost which set in around the middle of December also resulted in considerable stagnation.

Glass and Glassware.—The trade returns show 2 tons (£281) of glass and glassware as coming from Canada in 1939; no details are given, but these may be gift glasses distributed as premiums in beverage advertising.

Paper and Paper Products; Printed Matter.—Arrivals of paper and paper products rose slightly from 19 tons (£8,395) in 1938 to 21 tons (£8,506) and those of printed matter from 2 tons (£1,237) to 3 tons (£2,048). Detailed figures are not available for the period under review, but in former years imports have been made up mainly of some good quality bond writing paper with lesser amounts of special printing papers, lithographs, advertising material and paper napkins. Generally Canadian paper is rather too high in price and quality for local requirements.

Leaf Tobacco.—Tobacco arrivals credited to Canada are entered with imports of so-called "Virginia" types, but are likely burley tobacco. There is a considerable increase from 2 tons (£1,000) in 1938 to 39 tons (£23,000) for 1939, although the latter are not as great as 1937 imports of Canadian leaf, which totalled 53 tons (£45,000). Holland has an extensive cigar and cigarette manufacturing industry and tobaccos of all sorts are brought in for blending purposes.

Spirits.—Although detailed figures are not available, it is probable that the 6 tons of spirits (fl.6,812) imported from Canada were mainly rye whiskys with a certain amount of gin. While the so-called Dutch gin and light beers are the most popular domestic drinks, there are fair sales of special branded beverages.

Foodstuffs, Non-specified.—Imports of miscellaneous foodstuffs from Canada decreased from 26 tons (fl.10,000) in 1938 to 19 tons (fl.9,000). Details are omitted from the preliminary returns, but this item usually comprises such products as canned salmon, canned lobster, biscuits and confectionery. Competition from Japanese salmon and crab packers is very keen, and in higher priced lines from the United States and Alaska salmon shippers it is not easily overcome. For such goods Holland is decidedly a price market, cheapest grades having the largest sales.

There are some small imports annually from the Dominion of spices and ketchup, with fair amounts of other tomato sauces and juice.

Vehicles.—Imports of one ton (fl.754) of vehicles, not specified, are probably one automobile from a Canadian factory.

Implements, Agricultural Machinery, etc.—Arrivals under this heading, which include all sorts of machinery and parts, declined in volume from 41 tons in 1938 to 32 tons but advanced in value from fl.37,000 to fl.47,000. Detailed figures are not available but, judging from 1938 statistics, these probably represent various electrical and agricultural items such as electric meters, volt and ampere meters, electrical apparatus for light and power transmission, automobile batteries, self-binders, harrows, and ploughs.

Tools.—Garden and hand tools make up this small item. Imports dropped off from a total value of fl.2,000 of a few years ago and fl.1,200 in 1937 and 1938 to only fl.208 in 1938.

Instruments and Parts.—There was a slight advance in the value of imports under this heading from fl.24,000 in 1938 to fl.28,000, although the volume remained at 5 tons. Details for 1939 are not available, but for 1938 imports of typewriters from the Canadian factory of an international concern were valued at approximately fl.23,000, and those of miscellaneous photographic material at fl.990.

Lamps.—There were no imports from Canada in 1939, but in 1938 one ton of coal oil lanterns and lamps valued at fl.2,874 were brought in.

Products of Rubber and Balata.—Arrivals from Canada advanced from 157 tons (fl.215,000) in 1938 to 429 tons (fl.514,000), and thus rubber products were third in importance among Canadian commodities brought into Holland. Imports from the Dominion under this heading vary greatly from year to year according to whether orders sent by tire firms in this country to their United States principals are shipped from that country or from Canadian branch factories. In 1938 a total of 6,705 automobile tires (fl.178,640) was imported from Canada; shipments in 1939 amounted to 20,744 outer casings (fl.452,000).

Imports of inner tubes advanced from 1,832 units (fl.7,324) in 1938 to 8,259 units (fl.29,000).

There remains fl.33,000 worth of rubber products for which details are not available. According to agents' reports, this amount probably includes household, surgeons', and acid-resisting gloves; belting; moulded goods; some motorcycle tires, and other vulcanized products. There is usually a fairly good demand for Canadian rubber articles in this country.

Miscellaneous Articles.—Imports in 1938 under this heading comprised mainly unframed paintings and etchings, some novelties and a small quantity of unspecified goods. Details for 1939 are not available, but the total decreased from 12 tons (fl.39,000) in 1938 to 3 tons (fl.5,060). The latter includes small shipments of razor blades and ice skates.

IMPORTS INTO THE UNITED STATES OF PRODUCTS UNDER THE QUOTA PROVISIONS OF THE TRADE AGREEMENT

The following table, prepared by the Canadian Trade Commissioner's office at New York from preliminary figures issued by the Treasury Department at Washington, D.C., shows the standings of the quotas provided for under the Canada-United States Trade Agreement (signed November 17, 1938) up to April 27, 1940:—

	Total Quota	Reduction in Duty from the 1930 Tariff Act	Used by Canada to April 27, 1940	
			Quantity	Per Cent
Cattle (700 lbs. or more) .. Head	225,000	3 to 1½c. per lb.	33,151	14.7
Cattle (less than 200 lbs.) .. Head	100,000	2½ to 1½c. per lb.	35,215	35.2
Whole milk Gals.	3,000,000	6½ to 3¼c. per gal.	2,311	....
Cream Gals.	1,500,000	56½ to 28½oc. per gal.	212	....
Filletted fish, fresh or frozen—cod, haddock, hake, pollock, cusk, and rosefish Lbs.	15,000,000	2½ to 1½c. per lb.	3,058,678	20.3
Seed potatoes Bush.	1,500,000 beginning Sept. 15, 1939	75 to 37½c. (60c. Dec. 1-23) per 100 lbs.	1,141,542	76.1
White or Irish potatoes, other than seed potatoes Bush.	1,000,000 beginning Sept. 15, 1939	75 to 60c. per 100 lbs. Dec. 1 to end of Feb., 37½c. Mar. 1 to Nov. 30	313,126	31.3
Silver or black fox furs .. . Units	100,000 beginning Dec. 1, 1939	50 to 35 per cent ad val.	58,300	Quota filled March 5 1940

Since the beginning of the second quarter of 1940 Canada has shipped 13,446 head of cattle weighing 700 pounds or more, other than dairy cows, to the United States or 25.9 per cent of the quarterly quota allotment of 51,720 head. The quota allotment of 8,280 head from countries other than Canada for the second quarter of this year has been filled and receipts over and above this amount are subject to the full tariff rate.

TARIFF CHANGES AND TRADE REGULATIONS

United Kingdom

INDIVIDUAL IMPORT LICENCES REQUIRED FOR CERTAIN PIECE-GOODS AND SKATES

Mr. Frederic Hudd, Chief Canadian Trade Commissioner in the United Kingdom, in a cablegram of May 17 advises that the British Board of Trade announces the exclusion of the following from open general licence: piece-goods of cotton, or of cotton and wool, silk or artificial silk; skates and parts thereof. Goods despatched from the factory after May 19 will therefore require individual licences.

The effect of the foregoing advice is to make it necessary for United Kingdom importers of the goods specified to apply to the Import Licensing Department, 25 Southampton Buildings, Chancery Lane, London, W.C. 2, for individual import licences for the importation of each consignment (except where it can be shown by bills of lading or equivalent documents that the goods left the factory not later than May 19).

Canadian exporters are warned that they should no longer ship goods of the kinds in question without first ascertaining from their customers that import licences have been or will be granted for their particular consignments.

SODIUM OR POTASSIUM NITRITE IN BACON, HAMS AND COOKED PICKLED MEAT

Regulations made by the Minister of Health for England and Wales respecting the use of sodium or potassium nitrite in bacon, hams and cooked pickled meat, provisionally effective as from October 20, 1939, have been issued as the Public Health (Preservatives, etc., in Food) Amendment Regulations, 1940, operative as from April 30. The announced object of the amendment is to provide (a) that the direct addition of sodium or potassium nitrite to bacon, ham or cooked pickled meat shall not be prohibited by the principal Regulations, i.e., the Public Health (Preservatives, etc., in Food) Regulations, 1925, and (b) that the total amount of nitrites which may be contained in cooked pickled meat, other than bacon and ham, shall not exceed in all 200 parts per million, including both nitrites derived from any added sodium or potassium nitrite (saltpetre) and nitrites which have been added directly.

Ireland

IMPORT QUOTAS ON SILK AND ARTIFICIAL SILK HOSIERY AND ON CANDLES

Mr. James Cormack, Canadian Trade Commissioner in Dublin, advises that, by Orders of the Government of Eire dated April 30, 1940, further quotas and quota periods have been fixed for importation into Eire of the following items in the quantities stated:—

Hosiery made wholly or partly of silk or artificial silk.—240,000 pairs, for the period June 1, 1940, to November 30, 1940. The amount of this quota is the same as that fixed for the previous six months' period.

Candles.—200 cwt. for the period June 1, 1940, to May 31, 1941. This amount is the same as for the previous twelve months' period.

Australia

AMENDMENTS TO IMPORT LICENSING REGULATIONS

Mr. L. M. Cosgrave, Canadian Trade Commissioner at Sydney writes that the following amendments to Customs (Import Control) Regulations, dated April 22, 1940, have been issued by the Department of Trade and Customs at Canberra:

Separators and Clarifiers.—In connection with the applications for licences to import cream separators and industrial clarifiers it will not be necessary for importers to show details of the values of tools and accessories which usually accompany the separator and for which no charge is made by the supplier. The licence for the separator or clarifier should bear an endorsement that the value thereon includes tools and accessories accompanying the machines, for which a "no charge" invoice is to be produced. The fact that certain of the articles may not be graded in the same category as the machines may be disregarded. Under this system the value of a "no charge" invoice for tools and accessories should not be included in the base year figures.

Cylinders Containing Gas.—It has been decided that cylinders in which anhydrous ammonia and gas are ordinarily imported are to be exempted from the Customs (Import Licensing) Regulations, provided the importer declares on the face of the entry that the cylinders are to be exported from the Commonwealth when emptied.

High Power Cartridges.—Licences may be granted, on the basis of importations from non-sterling countries during the base year, commencing with the third licensing period, in respect of the following types of cartridges: .22 centre fire, high power; .25/20 centre fire, high power; .250/300 centre fire, high power; .218 centre fire, high power.

As the third licensing period extends for three months the allocations for that period will amount to one-quarter of the value of the importation of similar cartridges during the year ended June 30, 1939.

Clocks and Lifting Jacks for Motor Vehicles.—In connection with clocks and lifting jacks which have been subjected to certain restrictions as and from April 1, 1940, it has been decided that importations of such goods may be permitted when forming part of the original equipment of chassis which were in transit to Australia from the factory on or before March 31, 1940.

PARTICULARS OF LICENSING REQUIREMENTS

IMPORTS BY MAIL

With reference to the announcement in *Commercial Intelligence Journal* No. 1890 (April 20, 1940), page 604, that goods imported into Australia by mail would be subject to licensing requirements, the official order, now received from Australia, says that "goods sent by an individual to an individual through the post office consisting of consignments not of a commercial nature," are still excepted from licensing. All other "imports through the post office are now subject to the same conditions as those through other channels."

TIMBER

The official order regarding the licensing of timber for the period April 1 to July 31, 1940, referred to on the same page of the *Commercial Intelligence Journal* above-mentioned, reads: "Licences may be issued for the second period up to one-third of the base year's values and importers may carry forward from one licensing period to the subsequent licensing period any unused portion of a license and/or quota." The privilege of carrying forward quotas was not previously mentioned.

PUBLICATIONS

In Mr. R. P. Bower's article of April 4, published in *Commercial Intelligence Journal* No. 1894 (May 18), page 776, reference is made to changes in the licensing of books and other publications.

An order of April 11 announced the complete prohibition of importation from all non-sterling areas of children's toy books, such as alphabet, colouring, and tracing books, picture books other than dual-language books, books of rhyme, and books of similar types.

Other publications completely prohibited include all comics, Western and similar fiction magazines, love and romantic story magazines, and specified motion picture, radio, and some home and fashion publications.

Licences will be issued freely for the admission of periodicals reflecting current opinion in the country of publication, also for religious, and learned scientific and technical publications.

For approved fashion magazines, and fashion periodicals imported by retail stores for free distribution to customers, import licences will be issued up to 50 per cent of the value of such importations during the base year ending June 30, 1939.

Publications on subscription, being single copies of approved magazines and the like, sent by post, do not require to be licensed.

Lists of publications that have been examined by Australian authorities and assigned to one or other of the foregoing classes are on file in the Department of Trade and Commerce.

Books (not being magazines or periodicals), music and printed matter, not specifically dealt with in the order, will remain subject to the ordinary licensing requirements. Generally, they are in licensing category "C," for which licences are being issued during the current licensing period (April 1 to June 30) up to one-fourth of the value of the same goods imported by the same importer during the year ended June 30, 1939.

REPLACEMENT PARTS

As stated in *Commercial Intelligence Journal* No. 1894 (May 18, 1940), page 776, the importation of "typewriters, complete or substantially complete, imported in an assembled or unassembled condition" is restricted, during the current licensing period, by 25 per cent from imports during a like period of the base year. The reduction does not apply to parts of typewriters not coming within the above definition.

The restriction of 50 per cent on the importations of certain vacuum cleaners (referred to on the same page of the *Commercial Intelligence Journal*) does not apply to replacement parts.

The prohibition of the importation of electric shavers does not apply to replacement parts.

Guatemala

CERTIFICATES OF ORIGIN

Mr. R. T. Young, Canadian Trade Commissioner in Mexico City, writes that a Guatemalan customs resolution of April 29, 1940, rules that certificates of origin issued in Canada, covering merchandise originating in Eastern Canada and shipped via New York, may be legalized at the Guatemalan Consulate in New York, provided the signatures of the representatives of Canadian chambers of commerce, boards of trade, or of the Canadian Manufacturers' Association, which issue such documents, are previously registered at the consulate. Organizations wishing to have their names registered for this purpose should apply for registration cards to the Consulate General of Guatemala, 30 Rockefeller Plaza, New York, N.Y.

EXCHANGE CONDITIONS IN EMPIRE AND FOREIGN COUNTRIES**British West Indies (Eastern Group) and British Guiana**

M. B. PALMER, CANADIAN TRADE COMMISSIONER

The Colonies falling under this title consist of the Leeward Islands, comprised of the British Virgin Islands, St. Kitts-Nevis, Antigua and Montserrat; the Windward Islands of Dominica, St. Lucia, St. Vincent and Grenada; Barbados, Trinidad and British Guiana.

Canadian exporters to these territories are advised that importers are required to apply to the designated authorities for an import permit before placing orders for goods in Canada. If an application is approved, a licence is issued, and the licence in turn is the instrument the importer presents at the bank to obtain the necessary exchange for payment.

Exporters should satisfy themselves that the import permit has been obtained before making shipment. So far as the local Government regulations are concerned, the funds the importer requires become automatically available when the permit has been issued.

Gibraltar

A. B. MUDDIMAN, CANADIAN TRADE COMMISSIONER

Milan, April 30, 1940.—On September 5, 1939, financial regulations similar to the Defence Finance Regulations brought into force in the United Kingdom were introduced in Gibraltar. Under these regulations persons and firms in Gibraltar requiring foreign exchange must apply to an authorized dealer, who will grant it or obtain the necessary authority to grant it on the following conditions:—

- (a) To enable a contract made before the date on which the regulations came into force to be complied with. The intention is to facilitate the completion of outstanding commercial and financial contracts.
- (b) To meet the reasonable requirements of a trade or business carried on in Gibraltar. This is intended to cover imports of goods, insurance treaties, premiums and claims, ships' disbursements, freights, agents' commissions, royalties, film rents, copyrights, salaries, pensions, etc.
- (c) To defray reasonable travelling or other personal expenses.

The foreign exchange position of the Colony is settled through the London official market, and the London official and market rates of exchange are applied to exchange transactions in Gibraltar.

Export of sterling notes, gold, securities or foreign currency is prohibited, except with official permission.

Sterling transfers may be freely made between two foreign accounts or from a foreign to a domestic account.

No sterling transfer in any form may be made from a domestic source to a foreign account without permission. This regulation applies equally to any cheque drawn on a domestic account for the credit of a foreign account. A domestic account is that of a person resident within the sterling area. The sterling area comprises the United Kingdom, any part of His Majesty's dominions (except Canada, Newfoundland and Hongkong), any territory in respect of which a mandate on behalf of the League of Nations has been accepted by His Majesty and is being exercised by His Majesty's Government in the United Kingdom or in any Dominion, any British protectorate or protected state, Egypt, the Anglo-Egyptian Sudan and Iraq. The principal purposes for which sterling transfers from domestic accounts to foreign accounts are authorized are those given above in connection with the granting of foreign exchange.

Persons or firms resident in Gibraltar, who own gold or any of the following foreign currencies, must offer these for sale to the authorities through an authorized dealer: United States dollars, Canadian dollars, belgas, Swiss francs, French francs, Swedish kronor, Norwegian kroner, Argentine pesos, guilders. Up to the present residents have not been required, as in the United Kingdom, to register and/or deliver their holdings of foreign securities.

All exports, and all imports except those from the United Kingdom and supplies imported for public authorities, are subject to Government licence.

Authorized dealers are empowered to issue the necessary exchange in settlement of imports on production by the importer of the relative licence, on which is stated the value of the goods imported and the method of settlement.

Portugal

A. B. MUDDIMAN, CANADIAN TRADE COMMISSIONER

Milan, April 29, 1940.—According to the latest advice received from Lisbon there are no exchange restrictions in Portugal.

Argentina

J. A. STRONG, CANADIAN TRADE COMMISSIONER

Buenos Aires, May 4, 1940.—There has been no material change in the exchange control regulations or in the method of granting official permits for imported goods. Import permits are being made available for Canada and the United States for nearly all raw materials and necessities for Argentine industries. Import quotas still apply on most other fully manufactured goods that are still available from the United Kingdom and Europe. The consumption of imported manufactured goods in the luxury or semi-luxury class is being

curtailed. There has been some increase lately in shipments of manufactured goods from the United Kingdom. Argentina is not in any sense experiencing prosperity as a result of the war and importers are exercising caution in making new commitments at this time.

Chile

S. G. MACDONALD, ASSISTANT TRADE COMMISSIONER

Lima, April 27, 1940.—Through the Commission for International Exchanges, Chile continues to maintain strict exchange control. A portion of foreign exchange obtained by exporters must be surrendered to the Commission, while the remainder or "barter" or "export" exchange may be used for approved imports or sold through authorized banks to third parties for that purpose as and when authority may be granted.

For several years past the policy has been to maintain the Chilean peso at rates of 25 pesos to the United States dollar for export quotation drafts; but during most of the past year this exchange, when not used for articles considered as necessities, has been obtained only at rates of around 31 pesos to the dollar. The "gold" or so-called "free market" rate is at that level also. All of these rates are distinct from the "official" rate of 19.37 pesos to the U.S. dollar, and from the curb market rate. Early in 1939 the latter ranged between 33 and 36 pesos to the U.S. dollar; but in the latter part of the year and since the beginning of 1940 it has been fairly generally quoted at around 31 pesos. The "gold" or "free market" exchanges are generally called "D.P." exchange. For some months the number of articles for which only this type of exchange may be granted has been increasing and thus reducing the number of articles considered as necessities.

There are nearly always difficulties in obtaining foreign exchange, although on account of seasonal returns from exports, difficulties are less at some times during the year than in others. Importers are often required to wait weeks before exchange is granted. This situation, in view of the fact that permits must be held by importers before goods are either ordered or released from customs, creates uncertainty and further delay.

During January the amount of U.S. dollar exchange available was extremely limited, but the situation was somewhat alleviated in the following month. Recent reports indicate that U.S. dollars are again scarce. It is felt in commercial circles that this scarcity will be intensified because of the great demand by Chilean importers for goods from the United States. This demand has considerably increased since the commencement of the war and shows no signs of lessening. Conversely, fairly large quantities of sterling have been made available as a result of British purchases of wool estimated at a value of about £800,000. Consequently, importers are in a more favourable position to obtain exchange for those lines of goods which are being imported from Great Britain than for goods from other countries which require payment in U.S. dollars. Prior permits for exchange, which came into effect early in September last to be used in connection with goods sold against documents or on consignment, have been granted in lesser proportions since the beginning of the present year than in the first months after the system was set up.

Canadian exporters to Chile should continue to require payment by way of letter of credit in the case of firms which are not good customers of long standing or large houses with export business enabling them to obtain exchange abroad. In any event, terms should not be better than cash against documents. Exporters should also be certain that the necessary import permits are in the hands of their purchasers in Chile.

FOREIGN EXCHANGE QUOTATIONS: WEEK ENDING MAY 20, 1940

The Foreign Exchange Division of the Bank of Canada has furnished the following statement of the nominal closing quotations for the principal exchanges for the week ending Monday, May 20, 1940, and for the week ending Monday, May 13, 1940, with the official bank rate:—

Country	Unit	Present or Former Gold Parity	Nominal Quotations in Montreal Week ending May 13	Nominal Quotations in Montreal Week ending May 20	Official Bank Rate
Bulgaria.. . . .	Lev	.0072	.....	.....	6
Finland	Markka	.0252	\$.0213	\$.0218	4
France	Franc	.0392	.0200	.0205	2
Great Britain	Pound	4.8666			
	Buying		4.4300	4.4300	2
	Selling		4.4700	4.4700	—
Greece	Drachma	.0130	.0072	.0069	6
Hungary	Pengo	.1749	.3227	.3227	4
	Unofficial		.1951	.1951	—
Italy.. . . .	Lira	.0526	.0559	.0559	4½
Yugoslavia.. . . .	Dinar	.0176	.0249	.0249	5
Portugal	Escudo	.0442	.0356	.0356	4-4½
Roumania.. . . .	Leu	.0060	.....	.....	3½
Spain	Peseta	.1930	.1013	.1013	4
Sweden.. . . .	Krona	.2680	.2644	.2641	3
Switzerland	Franc	.1930	.2468	.2488	1½
United States.. . . .	Dollar	1.0000			
	Buying		1.1000	1.1000	1
	Selling		1.1100	1.1100	—
Mexico	Peso	.4985	.1848	.1847	3
Cuba	Peso	1.0000	.....	.....	—
Guadeloupe	Franc	.0392	.0200	.0205	—
Jamaica	Pound	4.8666	4.4800	4.4800	—
Martinique.. . . .	Franc	.0392	.0200	.0205	—
Other British West Indies.. . . .	Dollar	1.0138	.9313	.9313	—
Argentina.. . . .	Peso (Paper)	.4245	.3304	.3304	3½
	Free		.2514	.2520	—
Brazil.. . . .	Milreis (Paper)	.1196	.0673	.0670	—
	Free		.0558	.0556	—
British Guiana	Dollar	1.0138	.9313	.9313	—
Chile	Peso	.1217	.0574	.0574	3-4½
	Export		.0444	.0444	—
Colombia	Peso	.9733	.6326	.6343	4
Peru.. . . .	Sol	.2800	.....	.....	6
Venezuela	Bolivar	.1930	.....	.....	—
Uruguay.. . . .	Peso	1.0342			
	Controlled		.7307	.7307	—
	Uncontrolled		.4305	.4298	—
South Africa.. . . .	Pound	4.8666	4.4600	4.4600	3½
Egypt	Pound (100 Piastres)	4.9431	4.5800	4.5800	—
China (Shanghai)	Dollar	.....	.0517	.0627	—
Hongkong.	Dollar	.....	.2199	.2238	—
India	Rupee	.3650	.3359	.3359	3
Japan	Yen	.4985	.2602	.2602	3.29
Java	Guilder	.4020	.....	.....	—
Thailand (Siam)	Baht (Tical)	.4424	.....	.....	—
Straits Settlements.	Dollar	.5678	.5256	.5256	—
Australia	Pound	4.8666	3.5800	3.5800	3
New Zealand.. . . .	Pound	4.8666	3.5900	3.5900	4

The Dominion Bureau of Statistics has supplied the following note:—

Official buying and selling rates set by the Canadian Foreign Exchange Control Board for sterling and United States funds remained unchanged during the week ended May 20 at \$4.43-\$4.47 and \$1.10-\$1.11 respectively. At New York sterling free market rates were somewhat firmer than in the previous week, quotations closing at \$3.27 as against \$3.17 on May 13. Canadian funds at New York dropped 2½ cents to 79½ cents. Montreal rates for the French franc finished the week 4 points higher at 2.05 cents. Among other units there was a 6 point net rise to 25.20 cents for the Argentine free peso, while Shanghai dollars stiffened 1½ cents to 6.27 cents.

Canadian Trade Commissioners should be kept supplied with catalogues, price lists, discount rates, etc., and the names and addresses of trade representatives by Canadian exporters. Catalogue should state whether prices are at factory point, f.o.b. at port of shipment, or, which is preferable, c.i.f. at foreign port.

The Canadian Government Trade Commissioners at the present time are using Bentley's Second Phrase Code.

TRADE OPPORTUNITIES ABROAD FOR CANADIAN PRODUCTS

The Trade Inquiries for Canadian products published below have been received since the publication of the last issue of the *Commercial Intelligence Journal*. Interested exporters may secure the names and addresses of the firms making these inquiries, together with further details regarding the commodities required, on application to the Director, Commercial Intelligence Branch, Department of Trade and Commerce, Ottawa, or—

Secretary, Board of Trade—

Saint John, N.B.
Halifax, N.S.
Quebec, P.Q.
Montreal, P.Q.
Toronto, Ont.
Chatham, Ont.

Guelph, Ont.
Kitchener, Ont.
Brantford, Ont.
Stratford, Ont.
Woodstock, Ont.
St. Mary's, Ont.

Portage la Prairie, Man.
St. Boniface, Man.
Winnipeg, Man.
Vancouver, B.C.
New Westminster, B.C.

Secretary, Chamber of Commerce—

Sherbrooke, P.Q.
Kingston, Ont.
Oshawa, Ont.
Belleville, Ont.

Peterborough, Ont.
London, Ont.
St. Catharines, Ont.
Hamilton, Ont.

Victoria, B.C.
Prince Rupert, B.C.

Windsor Chamber of Commerce, Windsor, Ont.

Commercial Intelligence Service, Department of Municipal Affairs, Trade and Commerce, Quebec.

Department of Industry, Brantford, Ont.

Industrial Commissioner, Stratford, Ont.

La Chambre de Commerce de Montréal, 25 St. James E., Montreal, P.Q.

Secretary, Canadian Manufacturers Association—

Toronto, Ont.
Montreal, P.Q.

Winnipeg, Man.
Edmonton, Alta.

Vancouver, B.C.
Victoria, B.C.

Director, Bureau of Industrial and Trade Extension, Department of Trade and Industry, Victoria, B.C.

Commodity	No.	Location of Inquirer	Purchase or Agency
Foodstuffs and Feedstuffs—			
Honey.....	388	Belfast, Northern Ireland..	Agency.
Fish Meal and Meat Meal, for	389-90	Tel-Aviv, Palestine.....	Purchase and Agency.
Poultry Feed.....		Tel-Aviv, Palestine.....	Agency.
Powdered Milk, for Poultry Feed	391		
Miscellaneous—			
Machine Tools.....	392	Sydney, Australia.....	Purchase and Agency.
Machinery.....	393	Hanoi, French Indo-China.	Purchase and Agency.

COMMERCIAL INTELLIGENCE SERVICE

L. D. WILGRESS, *Director*

Argentina

J. A. STRONG, B. Mitre 430, Buenos Aires (1). (Territory includes Uruguay.) *Cable address, Canadian.*

Australia

Sydney: L. M. COSGRAVE. Address for letters—P.O. Box No. 3952V. Office—City Mutual Life Building, Hunter and Bligh Streets. (Territory includes the Australian Capital Territory, New South Wales, Queensland, Northern Territory and Dependencies.) *Cable address, Canadian.*

Melbourne: FREDERICK PALMER, 83 William Street, Melbourne, C.1. (Territory includes States of Victoria, South Australia, Western Australia, and Tasmania.) *Cable address, Canadian.*

Brazil

L. S. GLASS. Address for letters—Caixa Postal 2164, Rio de Janeiro. Office—Ed. Da. "A. Noite," Sala 802, Praca Maua. *Cable address, Canadian.*

British India

PAUL SYKES. Address for letters—P.O. Box 886, Bombay. Office—Gresham Assurance House, Mint Road, Bombay. (Territory includes Burma and Ceylon.) *Cable address, Canadian.*

British Malaya

J. L. MUTTER, Union Building, Singapore, Straits Settlements. (Territory includes the Straits Settlements, the Federated Malay States, the Unfederated Malay States, Thailand, British Borneo, and Netherlands India.) *Cable address, Canadian.*

British West Indies

Trinidad: M. B. PALMER. Address for letters—P.O. Box 125, Port of Spain. Office—Barclay's Bank Building. (Territory includes Barbados, Windward and Leeward Islands, and British Guiana.) *Cable address, Canadian.*

Jamaica: F. W. FRASER, P.O. Box 225, Kingston. Office—Canadian Bank of Commerce Chambers. (Territory includes the Bahamas and British Honduras.) *Cable address, Canadian.*

China

V. E. DUCLOS. Address for letters—P.O. Box 264, Shanghai. Office—Ewo Building, 27 The Bund, Shanghai. (Territory includes Central China and North China.) *Cable address, Canadian.*

Cuba

C. S. BISSETT. Address for letters—Apartado 1945, Havana. Office—Royal Bank of Canada Building, Calle Aguiar 367, Havana. (Territory includes Haiti, the Dominican Republic, and Puerto Rico.) *Cable address, Canadian.*

Egypt

HENRI TURCOT. Address for letters—P.O. Box 1770, Cairo. Office—22 Shari Kasr el Nil, Cairo. (Territory includes the Sudan, Palestine, Cyprus, Iraq, Syria, Iran, Greece, Turkey, Bulgaria, and Roumania.) *Cable address, Canadian.*

France

HERCULE BARRÉ, Commercial Attaché, 3 rue Scribe, Paris (9). (Territory includes French Colonies in North Africa.) *Cable address, Cancomac.*

Hongkong

P. V. McLANE. Address for letters—P.O. Box 80, Hongkong. Office—Hongkong and Shanghai Bank Building, Hongkong. (Territory includes South China, the Philippines, and Indo-China.) *Cable address, Canadian.*

Ireland

JAMES CORMACK, 66 Upper O'Connell Street, Dublin, Ireland (*cable address, Canadian*); and 36 Victoria Square, Belfast, Northern Ireland.

CANADIAN GOVERNMENT TRADE COMMISSIONERS—*Con.*

Italy

- A. B. MUDDIMAN, Via Manzoni Nr. 5, Milan (102). (Territory includes Spain, Portugal, Gibraltar, Malta, Albania, and Yugoslavia.) *Cable address, Canadian.*

Japan

- C. M. CROFT, Commercial Secretary. Address for letters—P.O. Box 18, Akasaka Post Office, Tokyo. Office—Canadian Legation, 16 Omotecho, 3-chome, Akasakaku, Tokyo. *Cable address, Canadian.*

Mexico

- R. T. YOUNG. Address for letters—Apartado Num. 126-Bis, Mexico City. Office—Edificio Banco de Londres y Mexico, Num. 30, Mexico City. (Territory includes Guatemala, Honduras, and Salvador.) *Cable address, Canadian.*

New Zealand

- W. F. BULL. Address for letters—P.O. Box 33, Auckland. Office—Yorkshire House, Shortland Street, Auckland. (Territory includes Fiji and Western Samoa.) *Cable address, Canadian.*

Panama

- H. W. BRIGHTON. Address for letters—P.O. Box 222, Panama City. Office—98 Central Avenue, Panama City. (Territory includes the Canal Zone, Venezuela, Colombia, Nicaragua, and Costa Rica.) *Cable address, Canadian.*

Peru

- M. J. VECHSLER. Address for letters—Casilla 1212, Lima. Office—Edificio Boza, Carabaya 831, Plaza San Martin, Lima. (Territory includes Bolivia, Ecuador, and Chile.) *Cable address, Canadian.*

South Africa

Cape Town: J. C. MACGILLIVRAY. Address for letters—P.O. Box 683. Office—New South African Mutual Buildings, 17 Parliament Street. (Territory includes Cape Province and Southwest Africa, Natal, Tanganyika, Kenya, Uganda, Mauritius, and Madagascar.) *Cable address, Cantracom.*

Johannesburg: J. H. ENGLISH. Address for letters—P.O. Box 715. Office—Prudential Assurance Building, 92 Fox Street. (Territory includes Transvaal, Orange Free State, the Rhodesias, Mozambique or Portuguese East Africa, and Nyasaland.) *Cable address, Cantracom.*

United Kingdom

London: FREDERIC HUDD, Chief Trade Commissioner in the United Kingdom, Canada House, Trafalgar Square, S.W.1. *Cable address, Sleighing, London.*

London: G. R. HEASMAN, Trade Commissioner, Canada House, Trafalgar Square, S.W.1. (Territory includes Home Counties, Southeastern Counties, and East Anglia; also British West Africa.) *Cable address, Sleighing, London.*

London: W. B. GORNALL, Fruit Trade Commissioner, Aldine House, Bedford Street, Strand, W.C.2. *Cable address, Canfrucum.* (Territory—for fresh fruit only—includes United Kingdom, Norway, Denmark, Sweden, France, Holland, and Belgium).

London: G. R. PATERSON, Animal Products Trade Commissioner, Canada House, Trafalgar Square, S.W. 1. *Cable address, Agrilson.*

Liverpool: A. E. BRYAN, Martins Bank Building, Water Street. (Territory includes North of England, Lincolnshire, North Midlands, and North Wales.) *Cable address, Canadian.*

Bristol: E. L. McCOLL, Northcliffe House, Colston Avenue. (Territory includes West of England, South Wales, and South Midlands.) *Cable address, Canadian.*

Glasgow: G. B. JOHNSON, 200 St. Vincent Street. (Territory covers Scotland.) *Cable address, Cantracom.*

United States

New York City: D. S. COLE, British Empire Building, Rockefeller Center. (Territory includes Bermuda.) *Cable address, Cantracom.*

Chicago: W. J. RIDDIFORD, Tribune Tower, 435 North Michigan Avenue. *Cable address, Canadian.*

Los Angeles: B. C. BUTLER, Associated Realty Building, 510 West Sixth Street. *Cable address, Canadian.*

Note.—Bentley's Second Phrase Code is used by Canadian Trade Commissioners.

Can
1

COMMERCIAL INTELLIGENCE JOURNAL

Vol. LXII

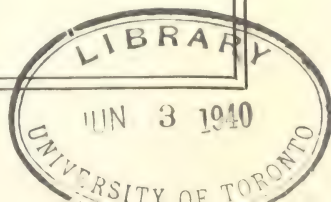
Ottawa, June 1, 1940

No. 1896



Canadian Timber at Port Pirie, South Australia

ISSUED BY AUTHORITY OF
THE HON. JAS. A. MACKINNON, MINISTER OF TRADE AND COMMERCE
J. G. PARMELEE, DEPUTY MINISTER



CONTENTS

	Page
Trade Commissioners on Tour	839
Demand for Charcoal in the North of England.....	839
United Kingdom Market for Wooden Wheels and Parts.....	845
Economic Conditions in Scotland, January to March.....	847
Import Trade of Scotland in 1939.....	848
Market for Pearl Barley in Ireland.....	852
Ireland's Imports from Denmark.....	853
South African Trade with Scandinavia.....	854
Market for Beer in Hongkong.....	857
Economic Conditions in British North Borneo in 1939.....	858
Economic Conditions in Mexico, January to March.....	859
Trade Possibilities in Colombia, Venezuela, and Panama.....	860
Fur Market in Argentina and Uruguay.....	862
Brazilian Market for Furs	864
Trade of Peru in 1939	866
Chilean Economic Conditions in 1939	868
Imports of Lumber into Nicaragua, Costa Rica, Panama, Colombia and Venezuela.....	870
Tariff Changes and Trade Regulations.....	871
Foreign Exchange Quotations	875
Trade Inquiries for Canadian Products.....	876
Commercial Intelligence Service.....	877

Issued Every Saturday by the Department of Trade and Commerce

Vol. LXII

Ottawa, June 1, 1940

No. 1896

Mr. M. B. Palmer, Canadian Trade Commissioner at Port of Spain, Trinidad (whose territory includes Barbados, Windward and Leeward Islands, and British Guiana), and Mr. F. W. Fraser, Canadian Trade Commissioner at Kingston, Jamaica (whose territory includes the Bahamas and British Honduras), are on tour in the Dominion in the interest of Canadian trade with their territories. Following are their itineraries as at present arranged:—

Montreal	June 3 and 4, and June 26
Granby	June 5
Sherbrooke	June 6
Saint John	June 10 and 11
Grand Manan	June 12 to 14
Kentville	June 15

Halifax	June 17 to 19
Lunenburg and Liverpool.	June 20
Charlottetown	June 21 to 24
Ottawa and district	June 27
Brockville, Kingston, and Wellington	June 28
Toronto and district	July 2 to 13

Vancouver, New Westminster and Victoria	June 3 to 12
Edmonton	June 14
Toronto and district	June 17 to 29

Aurora and district . . . **July 2**
Owen Sound and district.. **July 3**
London and St. Mary's . . **July 4 and 5**
St. Thomas **July 6**

Canadian firms who wish to be brought in touch with the Trade Commissioners should communicate, for Montreal, with the Montreal Board of Trade; for Toronto, Edmonton, Vancouver, and Victoria, with the office of the Canadian Manufacturers Association; and for other centres, with the respective Board of Trade or Chamber of Commerce.

A. E. BRYAN, CANADIAN TRADE COMMISSIONER

Liverpool, April 25, 1940.—Although the United Kingdom produces a minimum of 15,000 tons of hardwood charcoal a year, the greater part of the requirements must be imported. Prior to the war these were obtained principally from Germany, Sweden, Finland, France, Belgium, and the British West Indies.

During 1937, the last year for which full returns are available, 25,506 tons of charcoal were imported into Great Britain. Including domestic production, the normal demand for charcoal may safely be placed in the neighbourhood of 50,000 tons.

The requirements for defence purposes and increased usage by the artificial silk industry, as a result of the war, have created a demand for much larger quantities of charcoal, and it is estimated that at least 100,000 tons will be required this year.

IMPORTS

The following tables show the quantities and values of charcoal imported into the United Kingdom in the five years 1933 to 1937:—

Imports by Quantities

	1933 Tons	1934 Tons	1935 Tons	1936 Tons	1937 Tons
Ceylon, India, etc.*	137	251	50	2,528	7,463
Other British countries	190	325	635	681	2,586
Total from British countries.. . .	327	576	685	3,209	10,049
Sweden	1,229	2,200	961	1,060	1,491
Poland (including Danzig) . . . . .	....	162	1,338	1,018	1,201
Germany	1,653	2,217	2,463	4,974	5,902
Netherlands	304	145	191	183	431
Java* . . . . .	....	....	....	....	3,093
Belgium	766	953	289	544	305
Other foreign countries†	1,051	1,506	2,029	2,304	3,034
Total from foreign countries.. . .	5,003	7,183	7,271	9,883	15,457
Grand total.. . . .	5,330	7,759	7,956	13,092	25,506

Imports by Values

	1933 £	1934 £	1935 £	1936 £	1937 £
Ceylon, India, etc.*	1,107	2,605	445	20,266	72,204
Other British countries.. . . .	861	1,723	3,654	4,110	20,704
Total from British countries	1,968	4,328	4,099	24,376	92,908
Sweden	6,207	10,340	5,188	5,293	7,158
Poland (including Danzig) . . . . .	....	837	6,571	4,982	5,749
Germany	10,722	13,453	14,672	28,425	34,608
Netherlands	3,690	1,524	2,204	858	2,927
Java* . . . . .	....	....	....	....	27,460
Belgium	5,248	6,721	2,533	2,171	2,179
Other foreign countries†	6,052	8,889	10,367	10,813	17,445
Total from foreign countries	31,919	41,764	41,535	52,542	97,526
Grand total	33,887	46,092	45,634	76,918	190,434

* Practically all coconut charcoal. † Mainly Finland.

TYPES OF CHARCOAL REQUIRED

HARDWOOD CHARCOAL

The principal demand is for hardwood charcoal made from beech and birch, normally not mixed but using one or the other. At present no exception will be taken to a mixture of these two woods, provided all other requirements are fulfilled.

There are three commercial grades of hardwood charcoal: (1) forest burnt; (2) kiln burnt; (3) retort burnt.

The first-mentioned charcoal is made in primitive fashion in a pit dug in the forest or in a rough kiln made by covering in a pile of wood with turf or soil. This type of charcoal burning is a very ancient industry in Great Britain. While still carried on in certain countries, it has become obsolete, partly because like thatching and other rural industries, it is a craft in which there are now few skilled men and also because of the waste of time and material which is to a great extent eliminated by more modern methods. Usually this oven-burnt charcoal is not completely carbonized and somewhat discoloured in appearance, and its value is only about two-thirds that of kiln- or retort-burnt charcoal.

The kiln-burnt charcoal is also made in the open forests but in steel kilns. The latter are generally portable so as to be moved about from one cutting to another. These kilns can be worked by any intelligent man with a little practice. Skill acquired by long years of experience is not necessary. This method gives a clean tar-free product, well burnt and low in volatile content. It provides for simplification of the burning, intensified production, and a higher percentage of charcoal. The finished product, however, is usually not of such high quality nor so uniform as retort-burnt charcoal. However, this system does not allow for recovery of the valuable wood derivatives, viz., tar, naphtha, acetate of lime, acetic acid, amyl acetate, acetone, methyl acetone, wood creosote, etc.

The third and most up-to-date method of producing charcoal is the retort-burnt process in wood distillation plants. Not only is the charcoal better carbonized, cleaner, and more uniform, but all the chemical derivatives are retained by this method. Of course, expensive plant and equipment are required. On the other hand, in this method the charcoal is really the by-product. The chemical derivatives are so much more valuable than the charcoal that producers can sell the charcoal at the same or possibly a lower price than kiln-burnt charcoal, in addition to supplying a better grade of product.

Lump Charcoal.—The principal demand is for lump charcoal in irregular shaped pieces of roughly three by four inches. This type is used chiefly for the manufacture of carbon bisulphide for the very important rayon industry in this country. Copper refiners also use lump charcoal in their manufacturing process, while manufacturers of certain acids require smaller quantities of it. Certain amounts are also used by acetylene welders and also for charcoal grills for cooking food. This lump charcoal is usually made from beech and birch and to a lesser extent from oak and other hardwoods. The German and Scandinavian charcoal is derived almost entirely from beechwood.

Granulated Charcoal.—The specifications for granulated charcoal are the same as those for lump charcoal, with the exception that granulated charcoal is crushed into much smaller pieces and graded according to size, viz., $\frac{1}{2}$ ", $\frac{3}{8}$ ", $\frac{1}{3}$ ", $\frac{1}{32}$ ", and $\frac{1}{16}$ ". Granulated charcoal is used mainly for case-hardening in the locomotive, motor car, machine tools, and aircraft industries. It must be well carbonized, dry, and free from all foreign matter (dust). One United Kingdom firm could sell 500 tons of this immediately if that quantity could be obtained.

Powdered Charcoal.—Finely powdered hardwood charcoal, ground to 150's mesh, is required for foundry work and in the manufacture of certain forms of explosives. It is also an ingredient in the manufacture of dog and digestive biscuits, but for this purpose the charcoal must be very fine and pure. This grade is also used for general filtering and purifying purposes in the oil and sugar industries.

Dust Charcoal.—In the manufacture of pig and poultry feeds charcoal dust is employed as a medicinal ingredient, and for agricultural and horticultural purposes it is often used to purify the soil. Generally, however, the main uses for hardwood charcoal are for carbon bisulphide, case-hardening, foundry and copper refining.

Forest-burnt charcoal can only be used for rough work. There is no demand for it if the retort-burnt or kiln-burnt product is available, although it will always sell at a price. However, freight and handling charges from Canada would be the same as on the higher grades, and consequently Canadian forest-burnt charcoal would not prove competitive here. The sale of kiln-burnt charcoal depends entirely on the quality and price. In normal times it is difficult for producers of this grade to compete with retort-burnt charcoal, especially as the latter quality is preferred. Under present conditions, however, due to

shortage of retort-burnt charcoal and the increased demands, there is a ready market for kiln-burnt charcoal of good consistent quality, and regular monthly shipments are now arriving from the British West Indies.

PRICES

There is a decided preference in Great Britain for the retort-burnt hardwood charcoal which normally is available from Germany or Sweden at a price of £3 to £3 15s. per long ton f.o.b. shipping port. The pre-war ocean freight on charcoal from both Germany and Sweden was £1 15s. per ton, so that it cost before the war £4 15s. to £5 10s. per ton c.i.f. Liverpool.

Hardwood charcoal is now being received regularly from the British West Indies. This is kiln-burnt charcoal and is now costing £6 15s. per ton c.i.f. Liverpool. The quality is inferior to the retort-burnt product, but, in the absence of adequate supplies of better grade charcoal it is selling readily. One Liverpool firm is receiving fifty tons per month and is disposing of it as fast as it arrives.

Since the start of the war prices have more than doubled and charcoal of lower quality than the German or Swedish product is now selling at from £10 to £12 per ton delivered Liverpool. The price for granulated charcoal is usually from £2 to £3 higher than the same quality lump charcoal.

SPECIFICATIONS

There are no standard specifications for the chemical composition or physical properties of hardwood charcoal. Business is negotiated on the basis of samples.

Detailed information as to the usual requirements, packing, shipment and contract terms may be obtained by applying to the Department of Trade and Commerce, Ottawa, quoting file No. 27968. Samples of various types of charcoal are also available for inspection at the Department of Trade and Commerce.

COCONUT CHARCOAL

Substantial quantities of coconut charcoal are imported into the United Kingdom. In 1937 about half of all the charcoal purchased from abroad was of this variety. All coconut charcoal is forest burnt by the natives in India, Ceylon, and Java. It is bought and collected by the local merchants who distribute it to the trade abroad. In recent years increased quantities have been used in the manufacture of gas masks.

There are three varieties of coconut charcoal: *ordinary grade*, in various sized pieces about $\frac{1}{8}$ " in thickness; *activated*, in granular form ($\frac{1}{32}$ "); and *gas mask carbon* in powdered form. The activated is used mainly by refiners of oils, sugar, fruit juices, etc.

Before the war merchants in India and Ceylon were able to buy ordinary coconut charcoal from the natives for about £1 10s. per ton. Now it costs them £3. Importers are paying for it £11 to £12 per ton c.i.f. Liverpool as compared with £6 to £7 before the war. After this charcoal has been fully processed, it sells at a much higher price, which varies greatly according to the quality. Two firms in Great Britain make a specialty of activated charcoal, which in granular form sells from £60 up to £100 per ton. Present prices of gas mask powdered carbon charcoal range from £21 to £80 per ton.

PRODUCTION OF CHARCOAL

As a result of increased demands for charcoal and the difficulty of obtaining it from normal sources of supply, the British Government is encouraging home

production on a very much larger scale than anything ever attempted in the past. At present many of the forests and wooded areas on private estates are being felled to make up the deficiency in imported timber supplies, particularly pit props. Much of this forest is hardwood, a great deal of it oak and beech. The plan is to employ portable kilns made of steel which can be moved from one forest to another, so that charcoal can be made while the felling of trees is under way. It is said that in addition to increasing the supply of charcoal this operation will prove an additional source of revenue for landowners and farmers who equip themselves with the necessary kilns.

The type of kiln recommended consists of three oblong iron sections and is portable. It takes just over a cord of oak or other hardwood, which when cut in lengths of two to three feet is packed in the container with a small supply of kindling wood in the bottom centre. Then another section is fitted over the top of the bottom section in a channel and clay or earth is packed around to keep it airtight. Finally, a third or upper section is added and when filled with hardwood the cover is put on and a central chimney fastened on the top. The whole construction is carefully arranged so as to reduce labour to the minimum and to produce the maximum efficiency.

There is a pipe extending from the outside at ground level to the centre of the kiln. Through this a rod with a ball of rag, soaked in paraffin and lighted, is inserted and this sets fire to the kindling wood. In the lid there are four openings near the circumference. In addition to the large one at the centre these are also fitted with chimneys or vents, and help in producing a current of air. Until the wood is well alight and a fair volume of smoke is emitted the central aperture is left fully open; then it is closed. The four other holes are left open until the smoke comes away from them. By this time the upper part of the kiln is so hot that it is uncomfortable to touch. All openings are then closed and the hot air proceeds through an inner guide tube of sheet metal, which provides a space between itself and the outer walls of the kiln and passes along to the four tall chimneys.

Incoming air to feed the combustible material is fed through the one inlet and is thus easily controlled. It passes all around the base of the kiln and by scientific distribution in channels at the bottom is supplied equally to all parts.

It is important to note that charcoal is not produced by the burning of wood, after the initial kindling, but by the release of combustible gases. These, together with the effect of the oxygen in the incoming air, carbonize the wood.

When no further smoke comes from the four chimneys, they are detached and their outlets from the kiln closed with soil or clay. The kiln is then allowed to cool off gradually. When the whole kiln is cool, it is taken down and the charcoal removed.

The drier the wood used, the bigger is the yield of charcoal and the less the time required to produce it. It is best to cut the timber two or three months before required for the kiln.

This type of portable kiln will make from 18 to 20 hundredweights of charcoal per week in three burnings. The size of this kiln is 6' 8" by 6' 8" by 3' 3" and it weighs about 1,200 pounds. Two men can fill, burn, and discharge six kilns three times per week. There are larger kilns available producing just double the quantity. But the output of charcoal depends to a great extent on the moisture content of the wood. For example, 100 pounds of oak having 55 per cent of moisture would produce 22 pounds of charcoal. On the other hand, the same quantity of oak with only 40 per cent moisture would supply 32 pounds of charcoal. Generally speaking 100 tons of hardwood will provide from 20 to 27 tons of finished charcoal depending on the moisture content of the wood.

The Forest Products Research Laboratory, Princes Risborough, Aylesbury, Buckinghamshire, has carried out a number of experiments in connection with the manufacture of charcoal, trying various types of kilns, and has recently issued a report, "The Manufacture of Charcoal in Portable Kilns." This report and accompanying blueprints of the most suitable types of kilns are on file at the Department of Trade and Commerce, Ottawa.

These portable kilns are manufactured by one or two firms in the United Kingdom and cost from £65 to £105 at the works. They are simple in construction and no doubt similar kilns could be easily made in Canada.

WOOD DISTILLATION PLANTS

As already stated, the best and most up-to-date method of producing hard-wood charcoal is by the retort-burnt method, as the derivatives recovered help to defray the overhead and manufacturing costs. Space will not be taken here to describe the plant and equipment necessary for this method. Information on the subject can be obtained from the Forest Products Laboratories, Department of Mines and Resources, Ottawa. While the by-products of the retort-burnt method would be readily marketable in Canada, they would also find a sale in the United Kingdom, particularly under conditions ruling to-day.

MARKET PRICES FOR WOOD CHEMICALS

Following are prices quoted on April 25 for the more important wood derivatives:—

Acetic acid—

40 per cent Tech. in ton lots, delivered.. . . .	£12 12s. per ton (barrels extra)
80 per cent Tech. in ton lots, delivered.. . . .	£36 10s. per ton (barrels extra)
Commercial Glacial 98-100 per cent, delivered.. . . .	£46 per ton (barrels extra)

Acetate of lime—

brown.. . . .	£9 per ton
grey, 80 per cent.. . . .	£13 per ton
Amyl acetate, B.S.S. (40 gals. and over containers).. . . .	£89 15s. per ton
Acetone, in 45 gal. drums, ton lots.. . . .	£54 per ton
Methyl acetone, 40-50 per cent.. . . .	£42 to £45 per ton
Wood pitch.. . . .	£8 per ton
Wood tar.. . . .	£5 to £6 per ton, according to quality
Wood creosote, unrefined.. . . .	1s. to 1s. 6d. per gal. according to boiling range
Wood naphtha (solvent).. . . .	4s. to 4s. 6d. per gal.
Wood naphtha (miscible) 60 P.. . . .	3s. 10d. to 4s. per gal.
Wood preservative.. . . .	1s. 6d. per gal.

PROSPECTS FOR CANADIAN CHARCOAL

From correspondence which Liverpool firms have already received from a few Canadian firms interested in charcoal, it appears that most of the charcoal made in Canada at present is for fuel purposes only and is either forest burnt or oven burnt. Canadian producers seem to have demands for their full output in the winter, but are willing to supply this country in the summer months. To follow such a course would be useless, as British importers wish to receive charcoal regularly throughout the year. Although retort-burnt charcoal is preferred, importers would be willing to experiment with present forest- or oven-burnt charcoal with orders for 25 tons, provided the cost is not over £12 per ton c.i.f. Liverpool.

The best way to introduce Canadian retort-burnt charcoal to this market would be to submit first 5-lb. samples which would serve as a basis of quality for initial orders of 25 tons. There are several firms in Liverpool specializing in charcoal and they are prepared to place orders with reliable producers in

Canada immediately they receive satisfactory grade samples. Indeed they have already received from Canada samples of oven-burnt charcoal which proved of good quality; but, although orders were given, no Canadian shipments have yet arrived. It is assumed, therefore, that the firms which submitted samples were unable to execute their orders for lack of supplies, shipping space, etc.

The present is a favourable time for Canadian initiative to capitalize on the opportunities presented in the United Kingdom. If Canadian firms can supply a grade of charcoal equal to that from Scandinavia or the Continent, and will develop their manufacturing facilities now in a period of high prices, they should be able to hold this business indefinitely, due to the preference accorded Canadian products and the increasing desire on the part of British traders to purchase within the Empire.

There is an import duty of 10 per cent on all foreign charcoal, but it is free of duty from Canada.

Canadian firms in a position to supply hardwood charcoal should submit samples and prices to importers, whose names can be ascertained from the Department of Trade and Commerce, Ottawa.

UNITED KINGDOM MARKET FOR WOODEN WHEELS AND PARTS

G. R. HEASMAN, CANADIAN TRADE COMMISSIONER

London, May 14, 1940.—The rationing of gasoline in the United Kingdom, as a result of the war, has tended to direct attention to the greater use of horse-drawn vehicles. On the other hand it is not anticipated that the increase in horse-drawn vehicles will amount to any great number before motor-truck owners have converted a larger proportion of their trucks to the use of gas. Nevertheless there has been some interest displayed by several vehicle wood-work firms, who have supplied specifications and information pertaining to the type of wheel, hub and spokes, etc., that would ordinarily be required.

One well-known overseas firm have had a practical monopoly of the supply of certain types of wheels. The standard dimensions of the wheels manufactured by this company, which have proved most popular in this market, are as follows:—

Size of Spokes	Diameters of Hubs							
	Rims		Inside	Front	Back	Length of Hubs	Spokes	
	Tread	Depth	Flanges	Ends	Ends		Front	Hind
	Dimensions in Inches							No.	No.
1 $\frac{3}{8}$	1 $\frac{1}{4}$	1 $\frac{9}{16}$	4 $\frac{5}{8}$	3 $\frac{5}{8}$	4 $\frac{1}{8}$	8	14	16
1 $\frac{1}{2}$	1 $\frac{3}{8}$	1 $\frac{3}{8}$	5 $\frac{1}{16}$	4	4 $\frac{1}{2}$	8	14	16
1 $\frac{5}{8}$	1 $\frac{1}{2}$	1 $\frac{7}{8}$	5 $\frac{1}{2}$	4 $\frac{3}{8}$	4 $\frac{7}{8}$	8 $\frac{1}{2}$	14	16
1 $\frac{3}{4}$	1 $\frac{1}{2}$	2	5 $\frac{1}{4}$	4 $\frac{3}{4}$	5 $\frac{1}{4}$	8 $\frac{1}{2}$	14	16
1 $\frac{7}{8}$	1 $\frac{3}{4}$	2 $\frac{1}{4}$	6 $\frac{1}{8}$	5	5 $\frac{1}{2}$	9	14	16
2	1 $\frac{7}{8}$	2 $\frac{1}{2}$	6 $\frac{3}{8}$	5 $\frac{1}{2}$	6	10	14	16
2 $\frac{1}{4}$	2	2 $\frac{3}{4}$	7 $\frac{1}{16}$	6 $\frac{1}{4}$	6 $\frac{3}{4}$	11	14	16

The stock or hub of this wheel is of the usual shape, the inside face being bound with a circle of malleable iron of an appropriate width and thickness. The outer end is indented to cover the nut and hold the wheel on the axle. There is a malleable iron collar or ring, which is heat-shrunk on the hub or stock. This ring has openings for the insertion of the spokes, and serves to hold them firmly in the recess of the wooden hub. The holes for the spokes are staggered, i.e. the recesses are alternately one side and the other of the centre of the band or collar.

These wheels are made of hickory which is the type of wood most in demand and considered to make the most lasting type of wheel. United States ash and

oak have not been found satisfactory except for cheaper wheels, of which few are required. It is stated that ash and oak from the United States are of more porous grain and brittle structure than either English ash or oak and consequently tend to give way after a few years' wear.

Apart from the large wheels required for horse-drawn vehicles, there is a good demand for small three-wheel push carts, commonly termed "prams," which are used extensively by various dairy companies for the distribution of milk. On these three-wheel prams a 1-foot 4-inch front wheel is set with 2-foot 4-inch rear wheels, or a 1-foot 6-inch front wheel with 2-foot 6-inch rear wheels, the latter size being more favoured. The spokes used are usually 1½-inch and 1¼-inch. For horse-drawn dairy vehicles the sizes required are wheels of 2 feet 4 inches, 2 feet 6 inches, 2 feet 8 inches, 2 feet 10 inches, and 3 feet, with the relative sizes of spokes as shown in the following table:—

Sizes of Spokes and Diameters of Wheels (Approximate Relative Sizes) Required for Dairy Push-carts and Light Vans

Spoke diameters. . . .		Dimensions in Inches								
		1½	1¼	1⅜	1½	1⅜	1⅞	2	2½	2¾
Diameters of Wheels										
Ft.	Ins.									
1	4..	×								
1	6..	×	×							
2	2..	×	×	×	×	×				
2	4..	×	×	×	×	×				
2	6..		×	×	×	×				
2	8..			×	×	×				
2	10..				×	×	×	×		
3	0..				×	×	×	×	×	×
3	2..					×	×	×	×	×
3	4..						×	×	×	×
3	6..							×	×	×
3	8..							×	×	×
3	10..						×	×	×	×
4	0..							×	×	×
4	2..								×	×

NOTE.—One set of four wheels would include, for example, two wheels of 2 feet 2 inches diameter and two wheels of 2 feet 10 inches diameter, with diameter of spokes to suit estimated load.

SOURCES OF SUPPLY

While a fair quantity of rims, spokes, and hubs are known to have been imported from the United States, the business has mainly been where hickory was required, because English oak, English ash and elm are used extensively in the domestic industry. As Canada is not a producer of hickory, it may therefore be difficult to compete. It might, however, be more desirable to buy completed wheels from Canada than from the United States for exchange reasons, providing prices were competitive. On the other hand, in view of the fact that completed wheels take up more shipping space than hubs and spokes, it seems doubtful whether it would be possible to have the necessary shipping space allocated for the completed article. There is still some doubt as to whether the Government would allow the import of wheels and wheel parts if it is considered that the local industry could meet the demand. There has already been some conflict of opinion in this regard.

The position is, therefore, that at present there is no actual demand for imported wheels and wheel parts, but it is possible that, if gasoline rationing becomes more restricted, and domestic supplies are not sufficient, there may be a demand for imported wheels.

ECONOMIC CONDITIONS IN SCOTLAND, JANUARY TO MARCH

G. B. JOHNSON, CANADIAN TRADE COMMISSIONER

Glasgow, April 12, 1940.—All the Clyde shipyards are working to their fullest capacity, with the result that there is some shortage of skilled labour, although steps to increase the supply have been taken by the Ministry of Labour in association with the employers and trade unions. Since the Admiralty took charge of the construction of merchant vessels as well as of ships of war, the principal development has been a speeding up of output.

The number of launchings and other details of shipbuilding work on the Clyde are not now available to the public and cannot therefore be reported.

IRON AND STEEL

The production of iron and steel in Scotland continues to expand, and is probably at a higher level than ever before. Still larger outputs could probably be assured if there were more ample supplies of ore, scrap and fuel, although higher prices for scrap since early in March have tended to make greater quantities available.

COAL

Over the past three months there has been a great demand for coal because of the unusual severity of the weather, and the situation has been aggravated by the interruption of output as the result of heavy snowstorms and hard frost. The position is now much better, but it is understood that the demand still continues.

BORDER WOOLLEN TRADE

The Scottish Border tweed trade has been busy during the past quarter, but the domestic civilian demands have had to yield priority to some extent to the export trade, the general expansion of which is so necessary in order to acquire foreign exchange. There is a scarcity of skilled workers, and factories are working on full time. Delivery dates are difficult to fix, as operations are governed by supplies of material.

The hosiery industry is also busy, to a larger extent on Government work and for export, and overtime and night work are common. The home trade has to be content with whatever supplies are available after the prior interests previously mentioned have been served.

Dyers and spinners have been steadily employed, reflecting conditions in the allied textile industries.

JUTE

The Government's contract with jute manufacturers for 2,000,000 sandbags a week, reduced to that figure from 3,750,000 to enable other classes of jute goods to be produced, expired on April 11. The announcement of its termination immediately resulted in a sharp fall in raw material prices, to which the curtailment of sandbag production by the Indian mills also contributed. Business in all branches was reduced in sympathy with the fibre market, but prices of yarns and cloth for early delivery remained unaltered.

The fibre market recovered in March to almost its former level of January, but for the remainder of the quarter new business was slow. While yarn prices remain steady, there are indications that spinners may modify their terms to attract new business.

LINOLEUM AND LINEN TRADES (KIRKCALDY)

Conditions in the linoleum industry continue good, mainly on home account. The overseas trade, owing to war conditions, is not so brisk.

Owing to uncertain prospects for the immediate future, linen purchases are being restricted to immediate requirements. Trade with the United States and the overseas Empire has almost ceased, but prospects appear to be more promising. Government contracts are keeping many looms in operation.

IMPORT TRADE OF SCOTLAND IN 1939

G. B. JOHNSON, CANADIAN TRADE COMMISSIONER

Glasgow, April 19, 1940.—Since the beginning of the war publication has been suspended of official information which in former years was used as a basis for an annual report on the import trade of Scotland. It is not possible, therefore, to give comparative figures for 1939 and other years. Recourse is had to information supplied by firms in certain trades, who have a good knowledge of the total volume of business transacted.

WHEAT AND FLOUR

There has been no private trading in wheat and flour since September 3, 1939, all purchases being made by government authorities, who also provide freight space. The central buying agency is the Cereals Import Committee, under which operate the local Port Area Grain Committees. As far as possible, purchases of grains are allocated on the basis of average business during the last three years.

It is almost impossible to adequately summarize conditions in 1939, owing to the effect of the war and control measures. But up to September 3 the market position of Canadian wheat was comparatively stable. There was also a much greater uniformity in the grades as compared with the previous year. The quality of the wheat arriving at Glasgow was generally good, and the resultant flour was in every way suited to the requirements of the Scottish bakers.

The price of No. 1 Northern Manitoba prior to the outbreak of war was about 23s. c.i.f. per quarter, but it advanced substantially thereafter. Quotations for Canadian spring wheat flour had fallen to almost their lowest level—15s. 6d. to 16s. c.i.f. for Export grade; 16s. 6d. c.i.f. for Straight Run, and 17s. c.i.f. for Short Patents.

A certain amount of United States flour was bought prior to the war, chiefly winter wheat flour. The customary large quantities of Australian flour and wheat were purchased. Several attempts were made by a Glasgow importer to buy Ontario winter wheat flour, but apparently the price, as compared with that of spring wheat flour, was too high.

There are no statistics available since the outbreak of war, but during the first six months of 1939 Scottish imports of Canadian wheat at 3,426,000 bushels were approximately equal to those for the corresponding period of 1938. Canada's share of total imports into Scotland was about 45 per cent; her share of the imports into the United Kingdom for the same period was about 29 per cent.

The volume of imports of Canadian flour at Glasgow and Leith during the first six months of 1939 was also substantially greater than in the corresponding period of 1938. At these two ports alone (there are also substantial imports at Dundee and Aberdeen) 305,676 sacks (of 280 pounds) were imported, or about 53 per cent of the total imports into these two ports from all countries. It is indicative of the popularity of Canadian flour with Scottish bakers to compare the above figure with the 531,000 sacks of Canadian flour landed at all other ports in the United Kingdom.

FEEDING STUFFS

During 1939, up to the outbreak of war, the supplies of feeding stuffs in Scotland were abundant, with prices gradually declining. The majority of traders had been more or less severely hit by the fall in prices during 1938 and were not inclined to take unnecessary risks in forward buying.

At the beginning of August there was a temporary improvement in the situation, but this soon passed and prices again fell back. This situation continued until the outbreak of war on September 3, when imports by private firms ceased, and all stocks of and contracts for cereals and cereal products were requisitioned by the Ministry of Food. Feeding stuffs, oil cakes, rice bran and non-cereal products did not come fully under control until about the end of 1939.

Under the Ministry of Food, buying departments have been set up for wheat, cereals, cereal products, and feeding stuffs. The Ministry of Shipping looks after the freight arrangements, another Control looks after the allocation of shipments to the different ports, and the distribution from the ports is made through Port Area Committees, the underlying principle being to distribute as fairly as possible in accordance with pre-war figures.

In the opinion of the trade there is likely to be a decided shortage locally of feeding stuffs, particularly mill offals. A great deal of land which was formerly pasture is now under cultivation, and farmers are being encouraged to increase the acreage still further. In the opinion of a firm in Aberdeen there does not seem to have been any inclination among Canadian exporters during the past two or three years to develop the trade in dried grains, middlings and shorts direct to Aberdeen; these products formerly were purchased in fair quantities. It may be, of course, that Canadian firms have found more remunerative outlets elsewhere.

The war, of course, has also changed the whole position with regard to white-fish meal. In January the price at Aberdeen was £14 5s. per ton (2,240 pounds) ex works (less a commission of 2½ per cent to the dealer). Business was normal, and supplies seemed to be plentiful. In March, however, the price was advanced by 5s. per ton and so continued until the outbreak of war. At that time the whole fish trade was taken over by the Government, and the production of white-fish meal was brought almost to a standstill. In a short time the Government released this business, and the former channels were re-opened. However, prices were fixed on the basis of protein and oil content. Supplies continue to be scarce as a result of a considerable decrease in production.

CHEESE

As there are no statistics available of the imports of cheese into Scotland since the end of August, the quantities can only be estimated. During the first six months there were the usual small imports of Canadian cheese, which, of course, are but a small fraction of those brought in during the second half of the year. New Zealand shipments in the first six months, which are always greatly in excess of those for the remainder of the year, approximated those for the similar periods of the last few years.

One of the largest Glasgow importers of Canadian cheese reports that 1939 was one of the heaviest years in this trade in a decade. This firm has the following comments to offer in regard to Canadian cheese:—

The cross-wiring on the boxes is an improvement.

The summary enclosed with the grade notes was most useful. For every lot received the information in the accompanying note was borne out by later observation of how the cheese developed. In some cases first-grade cheese was stated to be slightly deficient in certain respects, although the deficiency was small.

The cheese appeared to mature more quickly. This, from the importer's point of view, is considered an advantage, particularly when there are no very apparent signs of acidity. However, this is a tendency which requires careful attention and that must not be overdone. So much June cheese is kept in this country until the following summer that it will not do to have it go fruity. Septembers might be bought to carry over the winter and spring, but this is not always practicable, and the price basis always has to be considered.

More winter makes than usual were shipped to Scotland from Canada, and all were of good quality.

BACON AND HAMS

Direct shipments of Canadian bacon and hams to Scotland prior to the outbreak of war were as usual very small, although imports of bacon alone during the first six months, amounting to 10,033 cwts., were slightly more than in the corresponding periods of the past three or four years. Direct shipments of hams in the first six months were 24 cwts.

The bulk of the imports of Canadian bacon and hams into Great Britain were sold in the London and Liverpool areas, where better prices were obtainable. Owing to the regularity of arrivals in those areas in England during the past several years, it has been possible to establish a premium for Canadian over prices of United States hams, but in Scotland arrivals over the same period have been very spasmodic, and the trade and the public have not had the same opportunity of appreciating the better quality of the Canadian products.

Owing to wartime conditions, prospects for the future are obscure. Imported supplies on account of any particular firm are immediately requisitioned and distributed by the Ministry of Food. As has been announced, the British Government have made an important contract with the Canadian Government for the purchase of bacon and hams.

EGGS

Under normal conditions continental eggs are most plentiful, and prices often reach their lowest for the whole year during January and February. The British market is swamped with huge quantities from Denmark, Holland, Finland and Norway, and domestic and Irish eggs are affected by the low values placed on these continentals, although supplies are not heavy during these months. From March up to the end of September the Scottish market is well supplied with home and Northern Ireland and Eire eggs for the West of Scotland trade and with domestic eggs from nearby continental countries for the East of Scotland. During the months of October, November and December, supplies of home and Irish eggs diminish rapidly, and continentals as a rule advance sharply, thus providing an opportunity for the sale of cold-stored Irish and continentals and Canadian and Australian eggs.

During 1939 trade followed its normal course until the outbreak of war. With the fall in the value of the pound sterling on the Continent, shippers there advanced their f.o.b. prices, and freights and insurance also increased tremendously. The production of new-laid eggs was not heavy at the time, and there was difficulty in obtaining adequate supplies. Available cold-stored eggs were soon brought up. The Ministry of Food, however, fixed maximum wholesale prices which were not in line with market values and, after spot supplies were cleared, it was found that continental shippers were reluctant to accept prices which would allow the eggs to be sold at the prices fixed by the Ministry. As a result of representations made to the Ministry, controlled prices were raised.

For some time the maximum price for Australian and Canadian eggs weighing 15 pounds and over was 12s. 6d., but the price was later advanced to 13s. 9d. wholesale. Fairly regular shipments from Canada arrived at Glasgow and met with a ready sale; Scotland could have taken greater quantities of storage eggs from Canada during October, November and December. Direct

arrivals at Glasgow of Australian eggs were small, but the Ministry of Food arranged for additional supplies to be forwarded from English ports.

Towards the middle of December, prices of new-laid continentals fell as much as 6s. 6d. per 120 eggs within approximately one month. Production in Denmark increased to a great extent and, even allowing for the increased freight and insurance, the cost of 15-pound eggs declined to around 13s. landed, duty paid, Leith. By that time most of the Canadian eggs were sold, but it was most difficult to make a fair price for them against such low prices for new-laid eggs.

While the war continues it is probable that the United Kingdom will be able to absorb all the eggs that Canada can ship during the fall and possibly even earlier. The Government is determined to keep prices within reason.

HONEY

The honey crop in Scotland in 1939, both flower and heather, developed along normal lines. The yield was satisfactory as regards both quantity and quality and was sufficient to meet all domestic requirements.

Clover honey in jars realized 1s. 2d. per pound, while comb honey of the same type fetched 1s. per section. Sales of heather honey were made at 1s. 1d. per half-pound jar and 2s. per 1-pound jar. Sections of heather honey brought 2s. each. These prices were received by the beekeepers from the merchants.

The volume of trading in imported varieties during 1939 was normal, with a small but steady expansion in Canadian honey. This was accounted for by the fact that this honey is now better known to the general public, as a result, partly at least, of the publicity campaigns conducted by the Canadian Department of Trade and Commerce.

With the outbreak of war there was keen competition in purchases of honey because of the fear of a shortage of sugar. Later it was realized that apparently ample stocks of sugar were available, but afterwards it was found that sugar was not so plentiful after all, and the demand for honey once more increased rapidly, and many hundreds of cases could have been sold had they been available.

Importers in Scotland wish to impress upon Canadian shippers the urgent necessity for keeping prices as low as possible, consistent with a reasonable margin to the producer, since the British Government is determined to maintain the cost of living at a reasonable level in the interests of the poorer classes and to avoid price inflation.

Another point made by importers in Scotland is that Canadian honey shippers are in a position of trust, by reason of the fact that all imports of honey were at first prohibited but eventually Canadian honey was permitted entry without licence. Any advantage taken of this concession might result in its being withdrawn.

Another point to be emphasized is that small producers would be well advised to deal with firms accustomed to exporting honey. Such exporters know the quality required, the amount that can be sold in particular markets, and all the conditions of export trade to this country. Such an orderly plan for supplying the Scottish markets is of advantage to all concerned.

Since the outbreak of war a large quantity of Canadian honey in small-size tin containers (2 and 4 pounds) has come to this country, considerable quantities having been imported by a well-known Glasgow firm. These consumers' packages are not popular in Scotland and, so far as can be ascertained, all these small tins have been sold in the South, in the London and Lancashire areas.

TIMBER

Following a year of depression and declining prices, 1939 began with a gradually improving tendency. In March the prices of whitewood and redwood began

to rise rapidly, continuing until the outbreak of war. This sharp and continuous advance was apparently due to heavy buying on the Continent. Then deliveries and chartering from the Baltic became virtually impossible, and difficulties of transportation over the North Sea resulted in much higher quotations from ports in Scandinavia which were free to ship. The market, therefore, became to a large extent dependent on supplies from Canada and the United States.

Since the outbreak of war the Timber Control has taken over all business in timber in the United Kingdom. Imports from both Western and Eastern Canada since the opening of hostilities increased to such an extent as to eliminate all fear of a shortage of supplies following the practical disappearance of Scandinavian stocks. Since United Kingdom stocks must be husbanded, the building of new houses has had to be suspended. Considerable additions to stocks are being made from local timber resources. Until the outbreak of war there were interesting developments in Scotland in the construction of all-timber houses from Canadian woods, not in isolated units or groups but under extensive schemes. The completion of one of these schemes at Dundee, comprising 556 houses built of Western red cedar, exemplifies the excellent results which can be achieved from the use of this wood. An additional scheme involving 504 houses was contemplated, but owing to the opening of hostilities it was found necessary to restrict construction to houses where foundations had already been laid. In connection with this scheme the number was 150, the cedar arriving in Dundee early in December. The contractors, however, were not permitted to use this wood for housing, the Timber Controller having requisitioned it for use in government and other priority schemes. No further progress on these 150 houses is likely unless and until the shortage of timber is relieved.

During 1939 there were further developments in the use of British Columbia Douglas fir in carcassing for houses built by Borough and County Councils. At least four local authorities are known to have turned from European to Canadian timber, nine had stated their intentions of doing so, and six others had the matter under consideration.

MARKET FOR PEARL BARLEY IN IRELAND

JAMES CORMACK, CANADIAN TRADE COMMISSIONER

Dublin, May 6, 1940.—The import trade in pearl barley into Ireland has been diverted since outbreak of war, to Canada. In normal times practically all imports of this commodity came from Holland, but offerings from that country have ceased since last September.

EXTENT OF THE MARKET

In the statistics of imports there is no clear distinction between the highly specialized Californian barley used for malting, the Canadian and United States barley used for roasting, and "barley products," which doubtless include pearl barley, a very little pot barley and possibly some other preparations. Merchants state that the normal annual volume of imports is a little over 200 long tons, of which Dublin and district consumes about 150 tons. This barley is used domestically for making broth, which, although a favourite dinner dish in Northern Ireland, is but seldom served south of Dublin.

TYPE IN DEMAND

Dutch millers normally offer twelve grades of barley, but practically only one of them is of interest to the Irish market. Canadian barley is said to meet the market requirements, generally, but it is not so well "dressed" or so

regularly sized as the Dutch. A medium-sized barley is in demand, milled to a standard colour and size. Dutch pearl barley appears to be whiter in colour than Canadian, due to its being more fully dressed and having very few small ends or clippings, which gives it a more regular size. The whiter the barley the more it appeals to most housewives. The highest grade of pearl barley is ground fairly small and solely from the centres of the grain, but the big demand is for medium sizes.

PRICES

Immediately before the war, prices of Dutch pearl barley ranged from 9s. 1d. to 18s. 4d. per cwt. (112 pounds) c.i.f. Dublin. At the outbreak of war, quotations in sterling and delivered prices were discontinued. The prices were then quoted in guilders, but were roughly considered as ranging from 7s. 9d. to 19s., but it should be noted that these were f.o.b. Rotterdam prices. Canadian firms quoted in Canadian dollars in the spring, and were helpful in that they submitted prices both f.o.b. seaport and c.i.f. Dublin, giving the local merchant his choice. Barley is usually exported in 112-pound fine jute sacks. It is nearly all sold loose, but about 5 per cent of it is packed locally in cellophane bags and in cartons by two or three small firms. It is not considered practicable for shippers to supply packed barley to this market on account of the package tax (1d. per pound or fraction thereof on imports from Canada and the United Kingdom, and 2d. per pound or fraction on shipments from other countries) which is levied on each imported package.

DUTY AND RESTRICTIONS

Barley enters this market from all countries free of import duty, but an import licence must be obtained in advance by importers. This is to protect local barley growers catering to the domestic industry, which manufactures mixtures for animal feed in which a compulsory admixture of a certain percentage of locally grown barley must be included. Importers of pearl barley are also required to certify that the barley brought in is to be used solely for human consumption. In practice there is no difficulty in obtaining import licences.

IRELAND'S IMPORTS FROM DENMARK

JAMES CORMACK, CANADIAN TRADE COMMISSIONER

Dublin, April 11, 1940.—Owing to the similarity of the products of Ireland and Denmark, Germany's occupation of Denmark will not greatly affect Ireland's external trade. Total imports from Denmark into Ireland have had an average value of scarcely a million dollars.

The official statistics of Ireland covering the last three years show that these imports have fallen under only sixteen general headings. The outstanding import item was cement. It was imported by the two Irish cement factories in Drogheda and Limerick. Next in order of value were "other" and electrical machinery, also imported for use in cement making. Cranes, concrete mixers, and iron and steel manufactures were likewise purchased for the same industry. Electrical insulators were imported by the Electricity Supply Board in small quantities from Denmark. Several dairy plants and creameries in Ireland were erected by Danes and they installed the machines, equipment, replacements, and parts to which they have been accustomed. Consequently, there have been considerable imports of dairy machinery, most of which were separators. There have been variable imports of foodstuffs, consisting mainly of butter (seasonal), purees and some specialty lines handled by a few of the high-class retailers for a limited trade. The imports of these foodstuffs ceased in 1939. Chemicals,

chiefly insulin and sancocrysin, have been purchased from Denmark in moderate value. Imports of seeds, mostly grass seeds such as clover, were third in order of value in 1938. Imports of paper, consisting almost solely of paper cement bags, ranked sixth in value in the same year.

The following table shows the total value of imports and the values of chief items imported in 1937 and 1938 and the first eight months of 1939:—

	1937	1938	Jan.-Aug., 1939
	£	£	£
Soya beans, cakes, cubes, etc. . . . .	.....	.....	2,279
Butter.	11,677	10,638	.....
Vegetable soups and purees	2,745	1,130	.....
Vegetable oils, refined, edible	1,897	336	167
Other foods and drink	4,898	4,008	311
Cement, hydraulic	143,909	83,918	24,329
Iron and steel and manufactures thereof	1,361	2,063	8,600
Automatic slot machines	81	3,369	1,801
Concrete mixers	323	.....	.....
Dairy machinery	11,917	8,346	9,998
Electrical machinery	5,572	3,408	5,964
Cranes, hoists, etc.	10,588	657	334
Sweet-making machinery. . . . .	.....	.....	5,886
Other machinery	150,610	14,620	30,255
Electrical goods and apparatus	5,060	2,879	3,210
Chemicals, drugs, dyes, etc.	2,408	2,053	1,394
Seeds for sowing	8,202	14,138	9,445
Printed matter, paper, unmounted	193	6,524	86
Other articles	6,031	4,704	5,066
Total	367,472	162,836	109,125

The quantities of cement imported in the three periods covered by the foregoing table were: 1937, 86,285 tons; 1938, 45,030 tons; January-August, 1939, 14,906 tons.

SOUTH AFRICAN TRADE WITH SCANDINAVIA

J. C. MACGILLIVRAY, CANADIAN TRADE COMMISSIONER

Cape Town, April 17, 1940.—Added to the Russo—Finnish war, the German invasion of Denmark and Norway will further affect the trade of the Union of South Africa with that part of Europe. Since the outbreak of hostilities in September, commerce with Scandinavian countries has been handicapped by high freight and insurance rates as well as by shipping difficulties caused by their proximity to the battle zone. Consequently, the present situation has been already discounted to a certain extent, South African importers of Northern European products having endeavoured during recent months to secure alternative sources of supply in anticipation of the possible closing of the Baltic Sea.

No monthly statistics are available showing the trend of South Africa's trade with Denmark, Norway, Sweden and Finland; during the past half year, however, it has undoubtedly been downward. South African trade with these countries has never been of large proportions. Many of the products which came from them are similar to those obtainable in Canada, however, and consequently the latest developments are of interest from the point of view of Canadian trade.

TOTAL TRADE

In 1939 total imports from the four countries were valued at £2,987,728, which represented 3·4 per cent of South Africa's total imports for that year. Concurrently, Canada supplied 4·4 per cent of the total, with a value of £3,976,353.

Exports from South Africa to the Scandinavian countries and Finland were valued at £468,654 in 1939. South African trade with Denmark and Norway

is of less importance than that with Sweden and Finland. Sweden holds first place among the four both in import and export trade with South Africa; Finland is in second place in total trade due to the much higher value of her supplies to South Africa than those of Norway and Denmark.

The table following shows the value of South African imports from, and of South African exports to, each of the Scandinavian countries, together with the percentages of total imports and exports these values represent. Detailed statistics on which to calculate percentages are not available for 1939, but so far as imports are concerned, those for 1938 afford a reliable criterion and are accordingly used:—

	Imports from				Exports to			
	1938	Per Cent	1939	Per Cent	1938	Per Cent	1939	Per Cent
	£	of Total	£	of Total	£	of Total	£	of Total
Denmark . . .	149,123	0.2	168,443	0.2	24,436	...	39,640	0.1
Finland. . . .	859,762	1.0	859,349	1.0	10,335	...	7,786	...
Norway	307,199	0.4	371,729	0.4	49,366	0.1	117,829	0.4
Sweden	1,539,149	1.8	1,588,207	1.8	178,185	0.2	303,399	1.1
Total.	2,855,233	3.4	2,987,728	3.4	262,322	0.3	468,654	1.6

IMPORTS FROM DENMARK

Denmark is the country of origin of a limited quantity of foodstuffs, articles of machinery and miscellaneous manufactured goods. In 1938 the principal imports from that country, with the value of each, were as follows: field seeds, £1,128; flower and vegetable seeds, £692; lobster, anchovy, etc., £1,046; other preserved fish, £257; bacon, £3,568; ham, £7,296; other salted and cured meats, £612; other preserved meat, £2,102; condensed milk, £915; rennet, £1,617; non-specified foodstuffs, £1,815; wines, ales and spirits, £5,969; other agricultural machinery, £3,110; dynamos and generators, £1,576; motors, £3,572; non-specified electrical machinery, appliances and material, £3,731; internal combustion engines, £2,095; factory machinery, £19,379; industrial machinery, n.e.e., £14,297; non-specified machinery, £2,000; non-specified manufactures of iron and steel, £1,480; vacuum cleaners and floor polishers, £5,862; glycerine, crude, £4,125; arsenic, sulphate of copper, etc., £1,592; suede, velour and velvet-finished leather, £1,591; brushes, £1,638; non-specified manufactures of wood, £7,668.

IMPORTS FROM NORWAY

As regards Norway, canned fish, principally sardines, is the leading commodity imported into South Africa. Boxes, box shooks, wood and paper products are also of importance. The values of the leading imports in 1938 were: dried fish, £359; lobster, anchovy, etc., £138; other preserved fish, £76,024; other preserved meat, £394; marine engines, £2,000; industrial machinery, n.e.e., £2,129; ferro-silicon, £5,469; other ferro alloys, £1,450; non-specified firearms, £1,698; non-specified manufactures of iron and steel, £398; fish and whale oil, £2,457; pine and other coniferous soft woods, £1,242; planed, tongued and grooved flooring and ceiling wood, £9,946; wooden boxes for packing fruit or dairy products, £43,784; other wooden boxes, £5,218; wooden casks, £3,131; plywood, £1,656; wood pulp, £1,422; non-specified manufactures of wood, £1,130; cardboard, linenboard and strawboard, £13,681; other printing paper, £44,616; kraft wrapping paper, £15,274; heavy wrapping paper, £2,808; greaseproof paper, £18,874; tissue paper, £7,479; non-specified wrapping paper, £8,894; non-specified paper and paperware, £5,337.

IMPORTS FROM SWEDEN

Imports from Sweden are more diversified than from any of the other Northern European countries, and include a considerable number of iron and

steel products, machinery and similar articles. Swedish competition in pulp and paper has also always been important. The leading imports from that country in 1938 were: lobster, anchovy, etc., £212; other preserved fish, £3,049; dairying machinery, £21,744; other agricultural machinery, £3,047; binders, reapers and mowers, £9,441; ploughs, harrows and parts, £2,067; non-specified agricultural implements and machinery, £7,643; dynamos and generators, £4,385; motors, £48,791; transformers, £10,690; non-specified electrical machinery, appliances and material, £14,705; marine engines, £4,868; internal combustion engines, £1,156; factory machinery, £19,422; industrial machinery, n.e.e., £11,846; hydraulic and electric lifts, £2,098; lathes, £2,155; rock drills and spares, £11,060; non-specified mining machinery, £1,072; sawing machinery, £1,155; industrial sewing machines, £1,192; stone crushers, £1,464; ball and roller bearings, £58,288; mechanical refrigerators, £73,035; adding and calculating machines, £6,314; cash registers, £7,388; domestic sewing machines, £2,130; copper plates and sheets, £3,306; copper pipes and tubes, £6,046; ferro-manganese, £3,796; ferro-silicon, £1,610; other ferro alloys, £1,739; iron bars, bolts and rods, £7,225; drill steel, £129,905; wrought iron and steel pipe fittings, £2,490; iron and steel sheets, £11,855; tool steel, £1,577; lawn mowers, £1,655; non-specified implements and tools, £11,101; wire nails, £12,328; other nails, £3,929; screws and washers, £8,934; railway rolling stock, £2,024; stoves, ranges and parts, other than electric, £32,602; mechanics' tools, £15,482; fencing wire, £1,600; non-specified manufactures of iron and steel, £31,303; electrical cable and wire, £5,040; vacuum cleaners and floor polishers, £24,332; radio apparatus and accessories, £11,831; motor truck chassis, £3,459; non-specified potassium compounds, £5,852; glycerine, crude, £16,072; arsenic, sulphate of copper, etc., £4,165; pine and other coniferous softwoods, £58,150; planed, tongued and grooved floor and ceiling wood, £34,385; pulpboard for building purposes, £17,666; wooden boxes for packing fruit or dairy products, £158,172; other wooden boxes, £125,513; brushes, £1,404; wooden casks, £4,514; chairs, other than bentwood or wicker, £4,203; doors, door and window frames, £5,438; wooden framework for houses, £2,392; wood meal and wood wool, £5,697; plywood, £1,809; wood pulp, £6,756; non-specified manufactures of wood, £6,385; cardboard boxes, not printed, £1,996; cardboard, linenboard and strawboard, £41,552; leatherboard, £1,407; newsprint, flat, £1,644; other printing paper, £44,513; kraft wrapping paper, £123,644; heavy wrapping paper, £43,207; greaseproof paper, £5,992; tissue paper, £12,875; non-specified wrapping paper, £14,232; non-specified paper and paperware, £3,454.

IMPORTS FROM FINLAND

Lumber and wood products head the list of imports from Finland. Sawn lumber is the principal industrial item; others of particular interest to Canada include pulpboard, boxes and paper. Particulars of the leading imports in 1938 are: foodstuffs, £182; ferro-silicon, £2,227; non-specified manufactures of iron and steel, £608; industrial granite, £2,571; non-specified potassium compounds, £1,594; glycerine, crude, £10,788; pine and other coniferous softwoods, £338,605; non-specified unmanufactured wood, £10,981; planed, tongued and grooved flooring and ceiling wood, £171,413; pulpboard for building purposes, £16,005; wooden boxes for packing fruit or dairy products, £116,063; other wooden boxes, £48,275; wooden bedsteads, £3,035; chairs, other than bentwood or wicker, £2,471; other wooden furniture, £2,132; wood meal and wood wool, £1,545; plywood, £5,557; cardboard, linenboard and strawboard, £19,295; newsprint, flat, £1,626; other printing paper, £24,192; kraft wrapping paper, £31,279; heavy wrapping paper, £5,650; greaseproof paper, £3,707; tissue paper, £10,467; non-specified wrapping paper, £2,989; non-specified paper and paperware, £1,277.

MARKET FOR BEER IN HONGKONG

P. V. McLANE, CANADIAN TRADE COMMISSIONER

Hongkong, April 18, 1940.—Statistics covering imports of beer into Hongkong are not recorded separately by the Hongkong Government, the figures being included under the general heading "malt liquors." However, on the basis of investigations made in this market, it is estimated that over 90 per cent of the imports shown under this heading are of beer.

The following table shows imports by countries of origin into Hongkong during the calendar year 1939:—

	Gallons	U.S.\$
United Kingdom	166,128	127,814
British Malaya	24,152	18,779
North China	244,117	142,022
Denmark	33,510	22,100
France	28	9
French Indo-China	168	81
Germany	10,460	7,370
Japan	51,077	20,502
United States	8,500	6,612
Other countries	508	530
Total	538,648	345,819

From the foregoing table it will be noted that North China, the United Kingdom, Denmark, Japan, and British Malaya are the principal suppliers, Germany and the United States participating to a lesser extent. The one brewery operating in Hongkong has an annual production of beer valued at US\$50,000.

The preference in the Hongkong market is for a light bottled beer, and the bulk of the demand is from the European population. During the past year or so, canned beer has entered the market, but at the present time its sale does not constitute more than 3 per cent of total imports.

Practically all the beer imported into Hongkong is consumed locally. Export figures show that during the year 1939 approximately US\$31,000 worth of beer was exported, included in which was the export trade of the local brewery.

METHODS OF SALE

Sales are made by importers who operate liquor departments and who, in most cases, have their own retail stores and sell to licensed shops, hotels, bars, and restaurants, through the medium of a Chinese broker. Prompt deliveries are made from stocks.

In connection with the importation of all alcoholic beverages, importers must secure a licence from the Hongkong Government, the fee for which is HK\$1,000 (U.S.\$220) payable annually.

The customary packing of bottled beer for this market is 48 quarts to a wooden case; for pint bottles both 6-dozen and 8-dozen packings are used. Canned beer is packed 24 one-pint tins in a corrugated paper container.

PRICES AND BRANDS

Following is a list of wholesale prices, including the importer's profit, which are currently being quoted by agents to retail stores, together with the names of brands and countries of origin:—

Brand	Country of Origin	Prices			
		Doz. Pints		Doz. Quarts	
		HK.\$	U.S.\$	HK.\$	U.S.\$
Allsopp	England	6.80	1.46	10.50	2.45
Carlsberg	Denmark	5.20	1.12	....	....
Red Label	England	5.60	1.20	9.30	1.98
Barclay's	England	5.80	1.25	....	....
Barclay's (Canned)	England	5.60	1.20	....	....
Tiger	Singapore	5.20	1.12	9.20	1.96
U.B.	Shanghai	3.90	0.84	6.20	1.34
Ewo	Shanghai	3.70	0.81	5.85	1.26
H.B.	Hongkong	3.50	0.75	5.30	1.14
Pabst (Canned)	U.S.	5.40	1.17	....	....

DUTIES

Imports of beer into Hongkong from all countries are subject to a duty equivalent to $17\frac{1}{2}$ United States cents per gallon. Beer brewed within the Colony pays an excise tax equivalent to approximately $15\frac{1}{2}$ United States cents per gallon.

ADVERTISING

Extensive advertising is carried on by local importers, and it is customary for them to receive an allowance for this purpose from their principals, either in the form of a special discount or an annual grant.

In the introductory stages, advertising is particularly necessary, as it is difficult to place a new brand on the market without an aggressive sales campaign supported by advertising.

PROSPECTS FOR THE SALE OF CANADIAN BEER

Under present world conditions there is a possibility that an opportunity will be afforded for the sale of Canadian beers in Hongkong and, although the prices given above may appear to be extremely low, this should not deter Canadian exporters from considering the prospect of entering this market. It is therefore suggested that Canadian breweries in a position to cater to export trade forward samples of their beers by parcel post to the Canadian Trade Commissioner at Hongkong, together with c.i.f. Hongkong prices and specimen labels. Market investigations will then be undertaken by the Trade Commissioner and reports furnished.

ECONOMIC CONDITIONS IN BRITISH NORTH BORNEO IN 1939

K. F. NOBLE, ASSISTANT TRADE COMMISSIONER

(All values are in Straits currency; S\$1 equals 55 cents Canadian at current exchange)

Singapore, March 15, 1940.—According to a recently issued annual report on the British North Borneo, the State enjoyed a favourable year during 1939. Exports, imports, visible balance of trade and government revenues all were higher than in the previous year.

Exports were valued at \$13,500,000 (Can.\$7,425,000), an increase of 41 per cent over the total for 1938. Increased rubber quotas and a higher international price increased the value of rubber exports to \$8,050,590 (\$4,737,701 during 1938), or more than 60 per cent of the total value of exports. Other exports included timber, \$2,436,029 (\$2,177,178); dried and salted fish, \$531,226 (\$507,146); cutch, \$471,012 (\$271,374); and copra, \$359,414 (\$406,834).

As compared with 1938 figures, imports during the year increased by 4.6 per cent to \$6,500,000 (Can.\$3,575,000), the principal items being as follows:—rice, \$1,089,732 (\$1,214,131 in 1938); provisions, \$802,612 (\$701,738); textiles and apparel, \$781,945 (\$667,831); iron ware and metal ware, \$467,864 (\$452,912); tobacco, cigars and cigarettes, \$445,611 (\$455,003); sundries, \$371,976 (\$352,775). Other imports include sugar, kerosene oil, patent medicines, petroleum products, flour, stationery, wines and spirits.

British North Borneo is of little importance either as a buyer of goods from other countries or as a direct exporter. Imports in general reach the country through Singapore, while rubber, timber, fish, and cutch exports likewise pass through the Straits Settlement as re-exports.

ECONOMIC CONDITIONS IN MEXICO, JANUARY TO MARCH

R. T. YOUNG, CANADIAN TRADE COMMISSIONER

Mexico City, April 29, 1940.—Business activity in Mexico during the first quarter of the current year was affected by the exchange position of the peso, which reached a crisis in early February, on the announcement of the action of the United States Senate on the purchase of foreign silver, but recovered by the middle of the month. Retail business was, however, sustained by anticipation of increased prices, but wholesale volume showed a decrease, due in a large measure to the continued policy of credit restriction adopted by the Bank of Mexico.

This policy adversely affected importers lacking credit accommodations, particularly those dealing in commodities which must be sold on the instalment plan, such as domestic washing-machines, electric ranges and refrigerators, radios, etc., forcing them to curtail their activities. Banks have been required to reduce all outstanding loans to the extent of 15 per cent by the end of May, but bank credit has been sufficient for ordinary requirements. During the Easter holidays the wearing apparel trade benefited, also service organizations, as a result of a record influx of tourists.

INDUSTRY AND CONSTRUCTION

In general, all lines of industry continued to produce at a high level, but strikes tended to hamper the cotton textile mills. Shoe factories, pharmaceutical manufacturers, soap, automobile tire and steel plants held to their operating schedules. The mining industry continued to operate at a normal rate, but one smelter was still shut down. Lumber mill operations in Durango were steady, while twine mills in Merida and district worked to full capacity.

Private construction and real estate continue to be regarded as the safest form of investment in the republic; consequently, there has been continued activity in this line which has been reflected favourably in industrial production. Public construction, however, tended to fall off, but such undertakings as highway construction and the building of the Angostura dam continued, together with the work on the completion of the railway line linking Pascualitos and Puerto Peñasco.

AGRICULTURE

Stem rust, which made its appearance in several wheat-producing areas, is likely to affect the current crops, together with damage in mid-March by an exceptionally cold wave, particularly in the plateau district. Reports indicate that sufficient wheat is in storage to take care of the demand until the new crop is harvested. Prospects for a good cotton crop are excellent, and it is believed that there will be no shortage during the 1940-41 season, although undoubtedly exports will of necessity be curtailed. Present stocks are stated to be adequate for the usual requirements.

Corn, the principal fall crop, has been planted, but production will depend upon the rainy season. Supplies of this commodity are not plentiful, but it is considered that sufficient are on hand to meet demand. Sugar crop prospects are indifferent, yields being below normal in most areas and stocks the lowest in many years. The steady decline in exports of sugar from Mexico may necessitate purchase abroad. Beans are plentiful, but rice is short, with possibilities of a scarcity before the new harvest.

Banana cultivation in the Isthmus of Tehuantepec shows a steady decline which is reflected in the exports of this fruit. Conditions in the stock-raising industry vary in different areas, but on the whole, and especially in the United States border area, it is estimated ample stock will be available to fill United States quotas. Throughout the quarter there has been little demand for agricultural machinery and implements, due to restricted credit in rural areas and high prices.

TRADE POSSIBILITIES IN COLOMBIA, VENEZUELA AND PANAMA

H. W. BRIGHTON, CANADIAN TRADE COMMISSIONER

Colombia

Panama, May 16, 1940.—Colombia definitely offers an outlet for Canadian manufacturers but the repercussions of the European war are becoming more evident every day. The economic structure of Colombia is very dependent on the returns from coffee, its principal article of export, and the cutting off of Continental and Scandinavian markets is a serious blow. It has turned not only Colombia but practically all coffee-producing countries, to the United States for a market. The result has been a further drop in prices and the Colombian government, in order to assist the coffee producers over a difficult period, decided to pay a premium to the producers rather than allow the present rate of exchange to decline.

In addition to its serious effect on Colombia's national economy, the war has also interrupted Columbia's sources of supply. While the United States has always enjoyed a large share of Colombia's import trade, many commodities formerly came from countries now in the war zone and consequently Colombia has to seek its requirements elsewhere. The United States will benefit greatly because of the shipping services which are available and the strenuous efforts United States exporters are putting forth to increase their trade. There are also trade possibilities for Canadian manufacturers if they are in a position to meet competition and are prepared to await payment, delays in which are necessitated by regulations imposed by the Exchange Control Board.

As pointed out in previous reports from this office, Canada is seriously handicapped in meeting competition in price because of the necessity of having to ship via New York or to tranship at some other port. Nevertheless, Canada is exporting a limited amount of merchandise to Colombia at present. Any manufacturer who is seriously interested in exporting to Colombia, should communicate with this office, supplying complete details so that a definite proposition can be placed before local firms for investigation and report.

Following is an alphabetical list of articles, some specific and some general, for which definite inquiries have been received as a result of a recent tour of Colombia:—

Advertising novelties; aluminium; aluminium foil; aluminium ware; asbestos packings; auto springs; baby wear; bathing shoes; bathing trunks; bazaar goods; berets; bicarbonate of soda; blankets; blouses; boots and shoes; boot polish; bottles; bridge steel; brushes, hair and toilet; buckles, nickel plated; building materials; buttons, ivory; calcium carbide; camp beds; candles, birthday; carpets; caustic soda; cement, asbestos and portland; cereals; chemicals; children's articles; china, porcelain; cigarettes; cigarette lighters; combs, hair, for men; conduits, electrical; cordage; curtains; cutlery; dome fasteners; dresses, cotton; drugs; dry colours for paints; elastic webbing; electrical appliances; electrical fixtures; electrical accessories and materials; enamelware; engineering supplies; expanded metal lath; fertilizer; fish, tinned; fishing tackle; flashlights; flooring; flour; foodstuffs, bulk goods; foodstuffs, canned; foodstuffs, general; fruits, tinned; steel furniture; furs; glass, window; glassware, table; gloves, ladies; glue; grinding balls for mines; haberdashery; hand bags, ladies'; handkerchiefs; hardware, builders'; hardware, general; hardware, shelf; hats, ladies'; helmets, tropical; hosiery, cotton; hosiery, ladies' silk; hosiery, men's; hospital supplies; industrial materials; insulators, porcelain; iron, galvanized; iron and steel; iron and steel, reinforcing bars; jewellery; ladies' wear; leather, shoe; leather, novelties; linseed oil; locks; machinery, general; machinery, elevating; machinery, textile; machine tools; malt; metal ties, for light railroads; mining machinery; nails, wire; neckwear, men's; newsprint paper; novelties; overalls; paper board, for cartons; paper, cigarette; paper, general; paper, kraft; paper liners; paper, stationery; paper, toilet; paper, typewriter; pencils, lead; pharmaceuticals; plumbers' supplies; plywood; propaganda novelties; pyjamas, men's; radios; railroad rails; railway equipment; industrial raw materials; ribbons; rivets; road construction equipment; rolled oats; rubber goods, general; rubber shoes, canvas; rubber sundries; rubber fabrics; saddlery accessories; safety pins; salmon, canned; sanitary earthenware; sanitary fitting; sardines; school supplies; shirts, men's; shoemakers' requisites; slippers, bedroom;

soap; sporting goods; steel, structural; superphosphate; sweaters, woollen; talcum powder; textiles; thread; tickings; ties, men's; tiles, floor and wall; tinned goods; toiletries; tools; tooth paste; tooth paste tubes; toys; towels; tubes, iron, steel and galvanized; type metal; umbrellas; underwear, men's; upholstery materials; wallboard; wallpaper; wheat; white lead; wire, barbed; wire, copper; wire, galvanized; wire, general; wire for nails; wire screening; yarns, silk, wool, cotton.

Venezuela

Venezuela is very dependent upon imports, only a fraction of the needs of the people being produced within the country. In 1938 the United States supplied 56.2 per cent of Venezuela's total imports, followed by Germany with 11.9 per cent and the United Kingdom with 7 per cent.

When the war began Venezuela had to look elsewhere for those products which formerly had come from Germany and which in 1938 were valued at \$15,469,000. In the main purchases from Germany in 1938 consisted of steel pipes, miscellaneous iron ware, pharmaceutical products, glassware and bazaar goods. Now that the war has enveloped so many countries with which Venezuela traded, she is forced to seek sources of supply in South and North America.

In November, 1939, the United States signed a trade treaty with Venezuela and stands to benefit mostly from the war's interruption of the former channels of trade. Although United States manufacturers have a great advantage over Canadian manufacturers in having direct shipping facilities, Canadian suppliers should be able to obtain a share of the import trade of Venezuela.

At the moment Venezuela is experiencing difficulty in obtaining foreign exchange but the situation is not discouraging and should there be an increased demand for petroleum products Venezuela would immediately reap the benefit.

The following list, arranged alphabetically, gives the products for which definite inquiries were received during a recent tour of Venezuela:—

Acetic acid; advertising novelties; agricultural implements; aluminium; aluminium foil; auto accessories; bathing shoes; batteries, automobile; battery separators; bazaar goods; biscuits, soda and sweet; bottles; brushes, paint; calcium carbide; cellophane; cellulose; cement, portland; cereals; cheese; chemicals; codfish; drugs; electrical appliances; electrical fixtures; electrical accessories and materials; enamelware; felt for hats; fish, tinned; flour; foodstuffs, bulk goods; foodstuffs, canned; foodstuffs, general; fruits, tinned; hams; hardware; hosiery, ladies', silk; hosiery, cotton; hosiery, men's; industrial materials; iron, galvanized; iron and steel; iron and steel reinforcing bars; lard; lead; linseed oil; malt; milk powder; nails, wire; newsprint paper; novelties; paper, general; paper, kraft; pencils, lead; pharmaceuticals; plywood; potatoes; powder puffs; prepared mustard; industrial raw materials; rolled oats; salmon, canned; sanitary earthenware; sardines; sauces, table; spices; textiles; ties, men's; tinned goods; tools; toys; veneer; wallpaper; wire, barbed; wire, copper; wire, electric, cotton covered.

Any Canadian firms who are in a position to supply the articles listed and who are prepared to grant limited terms are requested to forward full particulars to this office, in order that they may be passed on to Venezuelan firms for consideration.

Panama

The Republic of Panama, while not a large importer, is well worth consideration by Canadian manufacturers. It is true that Canadian exporters operate at a considerable disadvantage in this country as compared to those of the United States, due firstly to the lack of regular direct shipping facilities and secondly as regards parcel post rates; but the fact that some Canadian manufacturers are selling their products in this market proves that for certain lines it is possible. An important fact for Canadian manufacturers to bear in mind is that, owing to the huge expenditures being made by the United States government in connection with new construction on the Panama Canal, there is no shortage of United States dollars in the Republic of Panama and therefore immediate payment for goods is assured.

The following list, arranged alphabetically, consists of commodities for which specific requests have been received by this office:—

Advertising novelties; aluminium ware; ammonia powder; apples, canned; asbestos roofing; automobile accessories; bags, paper; bathing suits; bathing trunks; batteries, automobile; bicarbonate of soda; bottles, glass; buttons; calendar backs; cement, portland; chemicals; china, tableware; Christmas tree decorations; codfish; concrete mixers; disinfectants, for dairy use; dolls; drugs; elastic webbing; enamelware; fancy goods; fertilizer, chemical; flour; fruits, tinned; galvanized ware; glassware; handles, wooden; hardware, general; hardware, shelf; hosiery, cotton; hosiery, silk; ice chests; iron, galvanized; iron, pots; iron and steel for construction purposes; leather, for shoes; linoleum; linseed oil; lumber; malt; matches; materials for manufacture of suitcases; moulding, picture; nails, wire; novelties; paints; paper, bags; paper, kraft; paper, toilet; pharmaceuticals; picks and shovels; provisions; road construction equipment; road construction materials; rubber-soled shoes, canvas; rubber sundries, heels, nipples; salmon, canned; sardines; springs, for beds; suitings, men's; sulphate of ammonia; textile, piece-goods; thread, silk and cotton; tinsel; tinware; tools; toys; vegetables, canned; whisky; white lead; wire, barbed.

Any Canadian manufacturer interested in catering to this market is requested to forward complete information, together with prices c.i.f. Panama, when it will be passed on to the interested parties.

FUR MARKET IN ARGENTINA AND URUGUAY

J. A. STRONG, CANADIAN TRADE COMMISSIONER

Argentina

Buenos Aires, April 4, 1940.—Argentine imports of furs were valued at the equivalent of \$373,000 in 1938, but this figure was reduced by approximately 20 per cent for 1939. Since the winter season in Argentina is from May to September, over 90 per cent of the fur imports arrive during the first half of the year. Consequently the possible effects of the war are not reflected in this decrease, which may be attributed to somewhat lower purchasing power as a result of smaller grain crops and lower general commodity prices in 1938-39.

IMPORTS

Imports of furs into Argentina according to countries of origin, during the years 1935 to 1938 were as follows:—

	1935	1936	1937	1938
	Values in Canadian Dollars			
Total	231,609	256,250	312,340	373,068
United Kingdom	180,261	217,868	257,312	326,350
Norway	4,652	5,660	18,528	20,187
Canada	5,383	1,433	554	828
United States	7,114	6,233	3,300	2,298
France	9,648	2,516	10,023	10,090
Sweden	1,159	29	4,119	2,563
Germany	27,550	20,478	16,650	8,229
Italy	29	2,033	1,854	2,523
Others	12,677	8,224	4,036	2,770

The steady increase in purchases of imported furs between 1935 and 1938 may be attributed to improved business conditions following the 1930-33 crisis.

The Argentine customs tariff accords preferential treatment to imports of undressed furs. Consequently the import trade is largely in the hands of some five local fur firms, who dress and make up the furs for sale direct to the public or for re-sale through retail stores in Buenos Aires. These fur firms either send their own buyers to the London and Continental auctions, buy through London fur brokers who act on the importers' instructions, or, latterly, buy some skins direct from Norway. The bulk of the imports are selected and bought by local buyers who go each season to London. Norwegian furs are bought both direct, by Argentine buyers who go to Norway, and at the London auctions. Apparently no Norwegian furs are sold in Buenos Aires.

The Argentine Government has had a system of import and exchange control since 1935. Import permits are made available for purchases of semi-luxury goods, such as furs, from only those countries with which Argentina normally has a favourable balance of trade. The United Kingdom, of course, comes within this category, and Argentina issues permits freely for furs imported therefrom. In addition, London allows these furs to be paid for out of the sterling balances to the credit of Argentina. This is done because Argentina has the sterling credits and, no doubt, as well in order to protect the fur auctions in London. A similar situation existed prior to the war in respect of Argentine-German trade relations and the fur auctions in Germany.

Argentina has normally a favourable balance of trade with Norway also. There are comparatively few products that that country can ship to Argentina, so that, in addition to paper and codfish, Argentina finds it convenient to accept Norwegian furs in part payment for her sales of grain to Norway. Consequently Argentina makes import permits available for furs of Norwegian origin.

The Argentine regulations affecting imports of furs since the outbreak of the war permit all furs to enter this country freely from the United Kingdom, France, Norway, Chile, and Italy. Furs are admitted from Sweden, Finland, and Belgium under a 50 per cent quota based on the average imports of furs from these countries over a recent period. Furs are not admitted into Argentina or Uruguay from Canada or the United States. Argentina has only a limited amount of dollar exchange at her disposal to pay for purchases from North America. Her dollar exchange is therefore carefully budgeted to enable her to pay for essential commodities which must be bought from Canada and the United States.

The Argentine trade has already purchased its fur requirements for the forthcoming season in London and from Norway. The Argentine trade has not experienced any difficulty in obtaining permits to buy from these two sources since the outbreak of the war.

Furs are not an absolute necessity in Buenos Aires or Montevideo; it is rather damp and cold at times throughout the winter months, but there is never any snow. Consequently furs are in the luxury category among wearing apparel and are worn as much for show as comfort. There are comparatively more fur coats being worn now than neck-pieces. Persian lamb is the most popular fur, and Argentina has caracul ranches. The comparatively few mink coats worn are generally purchased abroad by the owners, so that imported mink is used mostly for small neck-pieces and trimmings. There have been heavier imports of mink this season than in previous years and, based on value, the imports of furs this season are in order of importance as follows: Persian lamb, mink, and silver fox, with a few martens and other furs. Silver fox neck-pieces are very popular and, to a much lesser extent, silver fox capes. Argentine dealers have bought platinum fox skins again this season.

IMPORT DUTIES

The duty on raw silver fox and mink skins imported into Argentina is 32 per cent ad valorem plus an additional 10 per cent on a fixed valuation of 40 gold pesos (approximately \$21 Canadian) per 2.2 pounds legal net weight, with only immediate wrappings. The rate of duty on dressed skins is 57 per cent plus 10 per cent on the above-mentioned valuation. The import duty on made-up fur garments is prohibitive.

EXPORTS

In addition to being an importer of furs, Argentina is a producer and exporter of certain types. The furs that are exported are peculiar to this part of South America but there is one important silver fox ranch in Patagonia which

is now coming into commercial production. Attempts are also being made to breed mink.

Argentine exports of furs, according to countries of destination, in 1938 were as follows:—

Argentine Exports of Fur in 1938

	United States	France	United Kingdom	Germany	Others	Totals
	Values in Canadian Dollars					
Opossum	1,263	1,720	10,258	.....	7,034	20,275
Mountain cat	108,058	.....	3,952	11,008	4,327	127,345
Lynx	1,178	1,972	12,867	9,679	.....	25,696
Chilean alpaca	163,895	63,189	5,980	80	52	233,196
Hare	279,558	29,257	29,488	.....	13,634	351,937
Seal	82,440	40	903	2,349	2,973	88,705
Sea otter	80,025	9,551	361,818	213,137	37,377	701,908
White fox	248,365	480	37,621	.....	5,784	292,250
Skunk	8,619	27,042	136,485	22,946	17,128	212,220
Total	973,401	133,251	599,372	259,199	88,309	2,053,532

Uruguay

The foregoing comments on the market for imported furs in Argentina apply equally to Uruguay, except that the latter country has purchased all its silver fox requirements for this season direct from Norway. It is understood that since the outbreak of war the United Kingdom has not allowed furs to be charged against sterling balances to the credit of Uruguay. This is because these sterling balances can be used to pay for purely British goods, whereas there is an unused surplus available for furs going to Argentina. Norway is in a favourable position in Uruguay, as in Argentina, because, with the exception of paper few Norwegian products can be sold to Uruguay.

There are no figures available for imports of furs into Uruguay. The demand is estimated at roughly 10 per cent of the imports into Argentina, or \$30,000 to \$35,000 annually. Two fur firms in Montevideo do the bulk of the import business. A buyer for one of these firms purchased furs in Canada in 1936, 1937 and 1938. Since then it has not been possible to obtain permits for the importation of furs from the Dominion.

It is difficult to appraise at this time the probable effect of the war on purchases of furs by Argentina and Uruguay. Retail sales may show little change this season from the level of 1939. It is clear, however, that these countries are not going to experience anything in the nature of a business boom as a result of the war. Argentine buyers of furs are almost exclusively within the comparatively small upper-income bracket, and this group seems likely to be cautious in respect of increasing expenditures at this time. No important increase in the demand for furs may be expected for the duration of the war, nor does it seem probable that there will be a supply of dollar exchange available to encourage the authorities to relax the present import restrictions, at least so long as furs from Europe can be obtained and settled for against shipments of grain from Argentina.

BRAZILIAN MARKET FOR FURS

L. S. GLASS, CANADIAN TRADE COMMISSIONER

Rio de Janeiro, March 30, 1940.—There is a fair market for furs in Brazil despite the tropical climate of the two great centres of urban population, Rio de Janeiro and Sao Paulo, which are the only two outlets of any importance. Some raw pelts are imported, but the greatest demand is for dressed furs. There is no market for made-up goods.

The value of imports has increased from \$898,000 in 1934 to \$1,010,000 in 1938, the latest year for which statistics are available. The United Kingdom, Belgium and France have in the past supplied almost the entire requirements

of the Brazilian market. Approximately 60 per cent of all furs imported during the past five years came from Belgium, while 35 per cent were imported from England and France, the greater volume usually coming from the latter. Canada has never participated to any extent in Brazil's purchases, as the fur dealers have in the past preferred to make annual trips to Europe or to entrust their buying to long-established agents in the fur centres of England, France and Belgium. Canadian furs are well known in Brazil, silver fox skins from the Dominion being usually preferred except where the very cheapest skins are required.

During the past two years two or three of the better Brazilian houses have been sending their buyers to Canada and, because of the disturbed European conditions, there is a decided tendency on the part of Brazilian buyers to establish direct contact with Canadian exporters.

TYPES OF SKINS IN DEMAND

Silver fox skins are in greatest demand in Brazil. It has been estimated that approximately 15,000 skins a year are imported, of which 50 per cent would be three-quarters silver, 30 per cent full silver and 20 per cent quarter silver. Only a small amount of other fox skins are imported—about 300 blue fox, few red, no black and very few white. Greater interest is now being shown in white fox, of which up to the last year or so not more than 50 a year were imported. This increase is attributed to the growing popularity of imitation platinum fox.

Approximately 1,000 mink skins are imported into Brazil annually, most of which are used for short cloaks and trimming. Stone marten is also imported in fair quantities, approximately 5,000 skins being used to a small extent for cloaks but almost entirely for stoles and chokers. Only about 200 ermine are imported and about 10,000 Russian squirrel skins in the form of what are termed "plates," i.e. pieces of regular size prepared and ready for making garments. There is a fair market also for rabbit and hare skins. Some 5,000 "plates" of Australian rabbit, each cut to about 30 cm. by 100 cm. are imported and 20,000 skins of Russian hare; the latter formerly came from Poland also. There is no demand for other types of skins, such as otter, skunk, rat, fisher, wolf, etc.

FACTORS AFFECTING BUSINESS

As previously stated, most of the buying has hitherto been done by representatives of the better-class firms in Brazil on annual trips to the various fur centres in Europe, and it is quite probable that these buyers will in future visit Canadian centres. Apparently one of the drawbacks to the adoption of this practice is that the industry in Canada in so far as the curing and dressing of pelts is concerned, has not reached the same degree of proficiency as that of Europe. A comparison of prices shows that Canadian furs are cheaper on the European markets than they are in Canada. However, in view of wartime conditions in Europe, the price difference may not be as great a handicap as formerly. However, should the price of furs increase in Brazil, fewer will be sold.

As in any business, there are both good and bad accounts in the fur trade in Brazil, and Canadian exporters should exercise due caution in making shipments to this country. It is impossible to contract business on letter of credit basis; the best terms obtainable are cash against documents.

It has been reported that one of the European pelt producing countries contemplated sending to Brazil, among other South American countries, a large exhibit of fox furs with the intention of disposing of them in the country after the exhibition closed. The opinion of various dealers concerning the value of such a move tends to be unfavourable. Being situated at some distance from the main buying centres, importers in Brazil must make arrangements for their purchases some time before the actual auction season starts. The wholesale

buying season is from January to March, so that it would be necessary for an exhibit to arrive in Brazil not later than the second week in December. Should buying be postponed, the importers would run the grave risk of being forced to buy poor-quality left-overs or pay high premiums for good furs. On the other hand, should an exhibit be held after the buying season had opened, the Brazilian importer, having committed himself already to what he considers to be adequate purchases of stock, would probably be tempted to buy at bargain prices only. Furthermore there is always the danger in the case of goods shipped on consignment that they would have to be sold at sacrifice prices. Goods imported for sale in Brazil must pay regular duties, and no drawback is available should the goods eventually be re-exported.

TRADE OF PERU IN 1939

M. J. VECHSLER, CANADIAN TRADE COMMISSIONER

(The average exchange rate for the Peruvian sol in 1939 was 5.27 soles equal Canadian \$1.)

Lima, April 2, 1940.—According to preliminary returns for Peruvian trade during the past calendar year, the total commerce of the country rose in value from 602,287,375 soles in 1938 to 637,208,765 soles in 1939. This increase was brought about through largely increased exports, since total imports declined. The total value of Peruvian exports increased from 342,128,640 soles in 1938 to 381,421,389 soles in 1939. On the other hand, imports declined from 260,158,735 soles to 255,787,376 soles.

Despite reduced importations into Peru in 1939, the value of Canadian sales increased from 4,915,000 soles in 1938 to 6,847,000 soles, accounting in the respective years for 1.9 per cent and 2.7 per cent of total Peruvian imports. Canada's position rose from eleventh to seventh as a source of supply for Peruvian imports.

IMPORTS AND EXPORTS BY COUNTRIES

The following table shows total imports into Peru by principal supplying countries, with comparative figures for 1938 and corresponding percentages:—

	1939	1938	1939	1938
	1,000 Soles	1,000 Soles	Per Cent	Per Cent
Total	255,787	260,159	100.0	100.0
United States	105,064	89,227	41.1	34.3
Germany	37,628	52,823	14.7	20.3
United Kingdom	21,513	26,345	8.4	10.1
Argentina	13,852	15,901	5.4	6.1
France	9,070	6,969	3.5	2.7
Japan	8,016	8,684	3.1	3.3
Canada	6,847	4,915	2.7	1.9
British India	6,336	4,445	2.5	1.7
Belgium	5,917	7,229	2.3	2.8
Chile	5,425	5,225	2.1	2.0
Netherlands	5,423	5,248	2.1	2.0
Italy	5,223	6,627	2.0	2.5

Peru's exports, which reached an all-time record in 1939, were as follows, according to purchasing countries:—

	1939	1938	1939	1938
	1,000 Soles	1,000 Soles	Per Cent	Per Cent
Total	381,421	342,129	100.0	100.0
United States	115,864	91,706	30.4	26.8
United Kingdom	74,817	68,401	19.6	20.0
Chile	29,995	20,679	7.3	6.1
Germany	22,808	36,089	6.0	10.6
Argentina	22,118	26,657	5.7	7.8
France	21,319	21,830	5.6	6.4
Brazil	18,260	6,610	4.8	1.9

	1939 1,000 Soles	1938 1,000 Soles	1939 Per Cent	1938 Per Cent
Belgium	10,166	12,803	2.7	3.7
Japan	9,111	2,034	2.4	0.6
Uruguay	8,653	7,253	2.3	2.1
Netherlands	7,513	3,722	2.0	1.1
Bolivia	4,997	4,304	1.3	1.3
Canada	4,174	16,700	1.1	4.9
Aruba	3,834	8,081	1.0	2.4
Italy	2,528	858	0.7	0.3

The decline in Peruvian exports to Canada (principally oil and oil products) is marked, and resulted in Canada falling from seventh to thirteenth place among purchasers of Peruvian products.

IMPORTS AND EXPORTS BY COMMODITIES

Detailed returns of imports in 1939 by commodities are not yet available but it is possible to supply an analysis of imports by principal groups. Only those groups for which the total value of importations amounted to over 1,000,000 soles are listed:—

Group	Value in Soles	Group	Value in Soles
Machinery and vehicles	49,627,202	Arms, munitions and explosives..	5,011,995
Foodstuffs and specialties	32,328,713	Colour materials	4,331,610
Steel, aluminium and iron	16,406,367	Manufactures of cotton	4,084,390
Metals, raw and prepared	13,778,281	Woollen fabrics	3,949,334
Chemicals and pharmaceuticals	12,466,378	Stationery articles and goods	2,970,090
Electrical articles and appliances	9,788,946	Sporting goods	2,478,210
Miscellaneous	9,097,068	Silk threads	2,438,019
Lumber	8,154,078	Drug articles	2,184,987
Fabrics	7,947,113	Cotton threads	2,116,479
Paper and manufactures	7,577,652	Manufactures of copper	2,075,960
Stones, earths, etc.	7,153,222	Live animals	1,507,163
Goods not tariffed	6,330,404	Furs, hides, etc.	1,336,237
Manufactures of jute	6,291,333	Beverages and liquors	1,284,055
Paints, oils, etc.	6,174,416	Manufactures of silk	1,231,463
Industrial gum	6,042,172	Manufactures of steel	1,043,266
Tools	5,464,771	Naval goods	1,026,065
Specialties	5,040,911		

Peruvian exports in 1939 are classified in the returns under seven general headings. The first deals with animal products, which shows a total export valued at 21,594,100 soles. The principal items included in this heading are: live animals, 114,910 soles, oils and greases, hides and skins, and animal fertilizers, all of which were valued at 3,621,403 soles; washed and unwashed wools, which include sheep wool, that of alpacas, llamas and vicuñas, the total export value of which amounted to 14,430,424 soles; and raw skins, 1,697,397 soles. The total value of exports under the general heading "Vegetable Products" amounted to 125,828,937 soles. The principal items comprising this total are made up of the following: sugar, white, 4,753,533 soles; sugar, raw, 36,063,377; coffee, 2,334,408; tanguis cotton, 63,576,805; white pima cotton, 5,220,860; acala white, 4,501,232; cottonseed cake, 2,272,179; cottonseed, 1,455,159; and cube, 1,076,390 soles.

The total value of exports under the heading, "Mineral Products" amounted to 227,355,594 soles. Of this total minerals in a raw state were exported to the following values: antimony, 548,182 soles; copper, 2,345,609; manganese, 22,500; silver, 398,902; lead, 1,539,307; tungsten, 537,271; and vanadium, 3,017,799 soles.

Under the heading "Concentrates," exports valued at 1,063,296 soles are shown for copper, molybdenum, 527,909 soles; gold, 81,093; silver, 2,062,158; lead, 6,402,738; tungsten, 140,058; vanadium, 2,105,534; and zinc, 1,167,299 soles.

Values for exports of metals in bars or ingots mixed were as follows: bismuth with lead, 410,353 soles; copper with silver and gold, 67,462,263; gold

below Law No. 0·850, with silver, 13,706,238; silver below Law No. 0·850, 2,445,498; refined bismuth in bars or ingots, 3,686,584; electrolytic lead, 3,577,337 soles.

Exports of gold bars above Law No. 0·850, with silver, were valued at 4,907,164 soles.

The value of exports of petroleum products is shown as 110,861,854 soles. This is further broken down under the following headings: Petroleum, high cold test, 43,494,647 soles; petroleum, low cold test, 13,035,687; derivatives gas oil, 2,659,644; gasoline, 43,831,850; kerosene, 5,301,997 soles.

CHILEAN ECONOMIC CONDITIONS IN 1939

M. J. VECHSLER, CANADIAN TRADE COMMISSIONER

Lima, April 9, 1940.—Generally speaking, trade and industrial activity in Chile in 1939 remained at approximately the same level as in 1938.

FOREIGN TRADE

The total value of exports and imports declined slightly from the figures for the previous year. Exports were valued at 660,000,000 gold pesos (of 6d. gold) as compared with 674,000,000 gold pesos in 1938. Imports fell to a much greater degree, totalling in value 410,000,000 gold pesos in 1939 in comparison with 502,000,000 gold pesos in 1938. As a result of the greater decline in imports, Chile's favourable balance of trade rose from 172,000,000 gold pesos in 1938 to 250,000,000 gold pesos. As has been noted in previous economic reviews, this favourable balance increase does not indicate increased purchasing power of a proportionate extent, since a considerable portion of the export value does not return to the country. There was really no surplus of exchange available in 1939, and towards the end of the year a slight shortage occurred, although not to an alarming extent.

MANUFACTURING

Production in manufacturing industries declined slightly in comparison with the previous year. Important reductions took place in the output of textiles, cement, and paper, due to a certain extent to labour difficulties. There was a certain increase in employment in the manufacturing industries, but the number employed in the mining industries dropped from a monthly average of 65,365 in 1938 to 60,727 in 1939. Wages paid rose again, from 1,716,000,000 in 1938 to 2,019,000,000 in 1939.

The building industry improved over 1938; official statistics covering eleven districts show a 27 per cent increase in area construction and a 62 per cent increase in estimates.

AGRICULTURE

Chile produced one of the best wheat harvests in its history in 1939. The yield totalled 9,671,420 metric quintals (16,119,033 bushels). The oat crop was also a good one, 1,526,888 quintals (4,490,847 bushels). The barley harvest was smaller, 1,089,665 quintals (2,270,135 bushels). Through the Agricultural Export Board, the price of wheat was maintained throughout the year at 85 pesos per metric quintal (220 pounds). Vegetable crop returns indicate increases in returns for potatoes, corn, chickpeas, and green peas. The bean and lentil harvests were smaller. Vegetable prices were generally higher except in the case of corn, chickpeas, and certain types of beans. Present indications for the current year's crops are for a normal harvest. A serious export problem is pre-

sented in view of the war situation, which has resulted in the loss of European markets and scarcity of freights, and the Central Bank of Chile states that certain farm produce will perforce have to be diverted, at least in part, to other markets.

MINING

Mining production tended slightly downward for the year 1939. Bar copper output stood at 325,383 tons as compared with 338,287 tons in 1938. Copper prospects appear somewhat uncertain. Nitrate production was about the same as in 1938, although an increase in sales is expected in 1940. Coal output, on the other hand, fell by about 8 per cent, from 2,043,738 tons in 1938 to 1,882,306 tons in 1939. Labour difficulties were the chief cause. Gold production reached its peak level, 10,109 kilograms (of 2·2 pounds). Gold produced as a by-product of minerals, bar copper, concentrates, etc. (7,852 kilograms) increased. Mines contributed 649 kilograms, while the production from placer mining (1,608 kilograms) fell to a lower level than in 1937.

RAILWAY FREIGHT TRAFFIC

Available railway freight traffic returns cover only the period from January to November, 1939, and show a small increase of 2·5 per cent when compared with the corresponding period of 1938.

PRICE MOVEMENT

The slight downward tendency of wholesale prices and the upward rise in the cost of living index during the past three years are characteristic of the price movement. The wholesale price index for 1937 was 454·6; 432·1 for 1938 and 420·7 for 1939. The cost of living index averaged for the same years 176·4, 184·1, and 186·6 respectively.

BANKING OPERATIONS

Commercial bank advances rose from 2,101,000,000 Chilean pesos in 1938 to 2,326,000,000 pesos in 1939. Deposits increased from 1,867,000,000 pesos to 1,991,000,000 pesos. Cash holdings rose from 356,000,000 to 402,000,000 pesos. The circulating medium increased by 129,000,000 pesos to 816,000,000 pesos.

EXCHANGE

The export rate was maintained throughout the year at 25 pesos to the United States dollar. At the beginning of 1939 the Exchange Control Committee fixed the D.P. rate (*disponibilidades propias*) at 30·75 pesos to the United States dollar. This arises from placer gold and exchange instruments not derived from exports and which are intended for certain authorized payments. In mid-October commercial banks were authorized to purchase and sell this exchange freely. Fluctuations occurred in the unofficial or "free" market rate. A rate of 35·15 pesos to the United States dollar was reached in May, and immediately following the outbreak of war the rate rose to 28 pesos. At the end of the year, however, it had again fallen to 31·15 pesos.

PUBLIC FINANCE

National income, including surplus brought forward from 1938, amounted to 1,807,500,000 pesos and expenditures to 1,777,400,000 pesos.

IMPORTS OF LUMBER INTO NICARAGUA, COSTA RICA, PANAMA, COLOMBIA AND VENEZUELA

H. W. BRIGHTON, CANADIAN TRADE COMMISSIONER

Panama City, May 4, 1940.—Imports of lumber into Nicaragua in 1938, the latest year for which statistics are available, show that that country is not to any extent an importer of lumber, as only 57 cubic metres (one cubic metre equals 35.3 cubic feet) valued at US\$1,935 were imported, all of which came from the United States.

COSTA RICA

In 1938 Costa Rica imported 3,471,284 kilos (one kilo equals 2.2 pounds) of lumber valued in United States currency at \$126,217; according to the official statistics, all of this originated in the United States.

PANAMA

The Republic of Panama is the only one of the above countries which shows any imports of lumber from Canada. In 1939 total imports amounted to 13,647,978 board feet valued at U.S.\$271,334. Of this total, the United States supplied 12,676,980 board feet (\$255,654), Canada supplied 970,998 board feet (\$15,680), all of which came from British Columbia.

Of United States supplies, California supplied 7,808,498 feet (\$151,745); Oregon, 3,735,129 feet (\$64,657); and Louisiana, 1,333,353 feet (\$39,252). The above figures include all lumber, whether rough or dressed.

COLOMBIA

Colombian imports of lumber are less than those of Panama. Total imports in 1938 amounted to 5,995,707 kilos valued at 356,903 pesos, or, at the present rate of exchange of 1.75 pesos to U.S.\$1, \$209,441.

Imports of rough lumber into Colombia in 1938 totalled 1,456,811 kilos (87,604 pesos) of which Germany supplied 206 kilos (69 pesos); United States, 1,444,279 kilos (87,103 pesos); and Nicaragua, 12,326 kilos (432 pesos).

Imports of dressed lumber amounted to 4,538,896 kilos (269,299 pesos). Of this amount the United States supplied 4,430,028 kilos (265,007 pesos); Nicaragua, 80,431 kilos (2,849 pesos); and Panama and the Canal Zone, which would all be transshipments, 28,329 kilos (1,320 pesos).

VENEZUELA

As will be noted from the appended table, imports of lumber into Venezuela are classified under three main headings. Total imports in 1938 amounted to 17,558,067 kilos valued at 1,820,136 bolivares, which, at the pegged rate of exchange of 3.19 bolivares to U.S.\$1, equals \$570,576. Imports by countries of origin and classifications as regards payment of duty were as follows:—

Sawn Lumber of more than 25 cm. in Thickness

	Duty Paid Imports		Entering Duty Free		Government Imports	
	Kilos	Bolivares	Kilos	Bolivares	Kilos	Bolivares
United States	47,224	5,589	10,702	1,047	18,551	2,064
Dutch Guiana	860	231	102,500	15,210	....	....
Total	48,084	5,820	113,202	16,257	18,551	2,064

Sawn Lumber less than 25 cm. in Thickness, including White and Pitch Pine

	Duty Paid Imports		Entering Duty Free		Government Imports	
	Kilos	Bolivares	Kilos	Bolivares	Kilos	Bolivares
Curacao .....	.....	.....	450	516	30,528	5,254
United States	5,911,908	607,831	4,911,496	462,233	215,265	30,773
Trinidad	7,036	1,224	.....	.....	12,408	3,022
Total	5,918,944	609,055	4,911,946	462,749	258,201	39,049

Dressed Lumber Irrespective of Dimensions

	Duty Paid Imports		Entering Duty Free		Government Imports	
	Kilos	Bolivares	Kilos	Bolivares	Kilos	Bolivares
Germany	5,882	4,702	.....	.....	.....	.....
Curacao	323	127	.....	.....	.....	.....
United States	1,731,152	243,820	4,084,014	335,667	434,063	70,931
France	21,810	13,800	.....	.....	.....	.....
Japan	1,660	616	.....	.....	.....	.....
Trinidad .....	.....	.....	3,600	604	.....	.....
Holland	6,568	4,301	.....	.....	.....	.....
Italy	57	74	.....	.....	.....	.....
Total	1,767,452	267,940	4,087,624	336,271	434,063	70,931

In explanation of the centre column, namely "Imports entering Duty Free," it should be pointed out that under certain conditions the Venezuelan Government allows specified items to enter duty free for specific purposes, and in the case of lumber it may be assumed that the major portion shown as being imported under this heading was brought in by the oil companies operating in Venezuela. Shipments shown as coming from Curacao and Trinidad were no doubt re-exports.

TARIFF CHANGES AND TRADE REGULATIONS**United Kingdom****ADDITIONAL COMMODITIES SUBJECTED TO IMPORT LICENSING**

Mr. Frederic Hudd, Chief Canadian Trade Commissioner in the United Kingdom, advises, in a cablegram of May 23, that the Board of Trade have added the following to the list of goods subject to import licensing regulations in the United Kingdom: Manufactures wholly or mainly of asbestos; vacuum flasks and parts; hollow-ware made wholly or mainly of aluminium; agricultural and horticultural forks, scythes, sickles, hooks, axes, hatchets, adzes, and matchets and parts thereof except handles; apparel fittings including fittings for braces, corsets, and suspenders; handbag frames and fittings. The cablegram adds that goods despatched before May 28 will not require licences.

CERTAIN FRESH FISH ADDED TO FREE LIST

Mr. Frederic Hudd, Chief Canadian Trade Commissioner in the United Kingdom, cables that the following, already duty-free from Empire sources, have been placed on the Free List of the United Kingdom tariff for one year as from May 23, which exempts them from duty when imported from any country: fresh fish (whether frozen or not), but not including herring, halibut, salmon (including migratory trout), or shell fish.

The fresh fish now added to the Free List have been subject to a duty of 10 per cent ad valorem since March 1, 1932, unless shown to be entitled to duty-free entry, under Imperial preference, on the ground of being British Empire products.

Australia

TARIFF AMENDMENTS

Mr. L. M. Cosgrave, Canadian Trade Commissioner in Sydney, cabled on May 23 that by amendments to the Australian customs tariff, effective that day, files were made dutiable at $7\frac{1}{2}$ per cent ad valorem under the British preferential tariff (applicable to Canada) and $22\frac{1}{2}$ per cent ad valorem under the intermediate and general tariff (applicable to all non-British countries). Files are now named in a new tariff item, No. 219F. Formerly they were admissible by by-law under tariff item No. 219C, "hand tools," free of duty under the British preferential tariff and 15 per cent ad valorem under the general tariff.

Wristlet-watch movements are now dutiable at 20 per cent ad valorem under the British preferential tariff and 50 per cent ad valorem under the intermediate and general tariffs. Formerly all watch and clock movements were dutiable at 10 per cent ad valorem under the British preferential tariff and 30 per cent ad valorem under the general tariff. The rates of duty on clock movements and on watch (other than wristlet-watch) movements, remain unchanged.

The duty on unexposed sensitized cinematograph films, 16 millimetres and under, was reduced to $\frac{1}{4}$ d. per lineal foot under all tariffs (new item 320C1b1); the rate on such film over 16 millimetres remaining unchanged. Formerly all unexposed sensitized cinematograph film was dutiable at 1d. per lineal foot under all tariffs.

MOTOR VEHICLE CHASSIS IMPORT RESTRICTIONS*

R. P. BOWER, ASSISTANT TRADE COMMISSIONER

Sydney, April 22, 1940.—When the Australian Government introduced a system of import control on December 1, 1939, with the object of conserving the country's supply of non-sterling exchange, motor chassis were not affected beyond being given category ratings. These ratings were as follows:

Unassembled vehicle chassis, car and car type capable of use for commercial vehicles: 25 per cent B, 50 per cent C, 25 per cent D.

Unassembled, viz. truck, omnibus, or other commercial vehicle: B.

They were not subject to the other regulations introduced at that time, because a quota system was already in force affecting such vehicle chassis when of Canadian or United States' origin. This quota system has operated since 1936 on the basis of imports of the various makes of cars during the twelve months ended April 30, 1936, and provided that the imports of any particular make could not exceed, during any subsequent corresponding twelve-month period, the imports during the "base period." The restriction was based on quantity, and no reference was made to values.

On April 12, 1940, the Australian Government announced that restrictions on the importation of Canadian and United States motor vehicle chassis were to be applied for the purpose of effecting further savings in non-sterling exchange. The steps taken provide as follows:—

1. The number of chassis imported from these countries in the quota year, May 1, 1935, to April 30, 1936, to be reduced by 40 per cent in the case of car chassis and $12\frac{1}{2}$ per cent in the case of truck chassis. Compared with the financial year 1938-1939, the reductions will be car chassis, 24 per cent; and truck chassis, 6 per cent.

2. The percentage reductions so determined will not be applied to the first 75 chassis quota held by any distributor. In cases where local distributors handle more than one make of car, they are not to be allowed to import 75 of each make without restriction, but are only allowed a total exemption of 75, to be divided among the various makes.

* Cabled information regarding these restrictions was published in *Commercial Intelligence Journal* No. 1890 (April 20, 1940), page 603.

3. Where no importations of any particular make of chassis were made during the year ended April 30, 1940, and permission has not been received to substitute other chassis and a quota appears to have fallen permanently into disuse, the right to an import quota will lapse.

4. The substitution of one chassis for another will be limited to transfers from car chassis to truck only. Previously, when an importer found that he was unable to sell the whole quota allotted to him, he could transfer the unused portion to some other importer who happened to be "short." Under the latest provisions, these transfers cannot be made unless they involve the substitution of a truck chassis for a car chassis.

5. Defence orders will be excluded from the quotas.

The Government has indicated that additional restrictions may be necessary before the end of the quota period and, in order to prevent importers from ordering their entire quotas immediately, it has been provided that imports must be spread over the year in such a way that not more than 40 per cent of any importer's quota is imported during any consecutive four-month period, provided however that adjustments may be made in cases where less than 60 per cent of the quota has been imported in the first eight months.

The effect of the restrictions is to limit the importation of cars and trucks from the United States and Canada for the twelve months ending April 30, 1941, to 38,462 vehicles, made up of 27,648 cars and 10,814 trucks. This compares with 58,439 vehicles during the base year, consisting of 46,080 cars and 12,359 trucks. Of the cars to be admitted during the current period, 14,913 will be from Canada and 12,735 from the United States, while the trucks will be distributed 5,481 from Canada and 5,333 from the United States. As compared with the value of importations for the quota year ended April 30, 1940, the foreign exchange saving resulting from these restrictions will approximate \$3,372,500.

POSITION OF CARS FROM OTHER NON-STERLING COUNTRIES

When the quota system was first introduced in 1936, imports of motor chassis from foreign countries other than the United States amounted to less than 10 units. Protests were received from the affected countries, which objected to the principle that, because they had done no business during the base year, they could not expect to make sales in subsequent years. As a result the Australian Government made certain concessions in the case of foreign cars other than those from the United States and by 1939 a small trade had developed in certain Continental types. France supplied 20 passenger vehicle chassis during the twelve months ended June 30, 1939, as compared with 823 from Germany and 156 from Italy. In applying the restrictions to these cars, the Government has taken the twelve months ended June 30, 1939, as the base year, and quotas are based on imports during that period and are subject to the same percentage reductions as are Canadian and United States cars.

The imposition of restrictions on the importation of motor vehicles from non-sterling countries has been expected for some time, and the extent of the reductions as outlined above are considered reasonable by the trade. Increased costs, due to a fall in the Australian exchange, higher freights and f.o.b. prices, increased petrol prices, and possible petrol rationing, added to the unsettling effects of the war, have contributed to a general decline in motor car sales in Australia, particularly in the heavier types such as come from the United States and Canada, so that it is probable that even without the compulsion of import restrictions, the number of vehicles required by the trade for the coming year would not vary greatly from the figure allowed under the regulations. Certain makes which had only a small quota during the base year will be adversely affected by the clause preventing them from accepting transfers from other makes with surpluses, while those distributors who handle a number of different makes are complaining about the clause which gives them exemption from the regulations for a total of 75 chassis only and not for 75 of each make. Generally speaking, however, the local distributing trade is satisfied with the position.

TARIFF DECISIONS

Recent Australian customs decisions, as to the tariff classification and rates of duty on articles regarding which question had been raised, include the following:—

Internal combustion marine engines (other than high speed petrol engines) exceeding 25 h.p. but not exceeding 100 h.p., including reversing gear of the type ordinarily used therewith, whether imported with such engines or separately, under security that the engine will be permanently installed in a boat for propulsion purposes; free of duty under British preferential tariff, 15 per cent ad valorem under general tariff (Item 178I3b).

Air line lubricators, for lubricating pneumatic equipment and pneumatic tools such as rock drills, riveting hammers, chipping hammers and the like; 45 per cent ad valorem under the British preferential tariff, 65 per cent ad valorem under general tariff. (The British preferential rate is at present reduced one-quarter or value-for-duty reduced one-eighth, whichever is less, to compensate for Australian exchange depreciation). (Item 208A2.)

Vaporizers, being parts of kerosene pressure lamps; 15 per cent ad valorem under British preferential tariff, 30 per cent ad valorem under general tariff (Item 375B).

Stands especially designed for and commercially usable only with addressing and computing machines, imported separately or otherwise; free of duty under British preferential tariff, 10 per cent ad valorem under general tariff (Item 169A3).

Electric lamps of the clamp-on type, also electric lamps having a rubber suction attachment for affixing to smooth surfaces; 5 per cent ad valorem under British preferential tariff, 50 per cent ad valorem under general tariff; rates to increase as present Australian currency depreciation may be lessened (Item 206A).

Spectacle cases imported with sun glasses (except glasses wholly or partly of gold or silver), on the whole; free of duty under British preferential tariff; 15 per cent ad valorem under general tariff (Item 321C).

Cotton candlewick put up in 1-oz. skeins, used for embroidery work; 25 per cent ad valorem under British preferential tariff, 42½ per cent under general tariff. (British preferential rate at present reduced by one-quarter or value-for-duty reduced by one-eighth, whichever is less, to compensate for Australian currency depreciation). (Item 393A).

Baby's crib sheets, 36 inches by 24 inches, consisting of a sheet of thin rubber covered on one or both sides by a cotton textile covering; 22½ per cent ad valorem under British preferential tariff, 47½ per cent under general tariff; rates to increase as present Australian currency depreciation may be lessened (Item 122A).

Canadian goods under the above items, having the required content of Canadian and/or Australian material and labour and shipped in accordance with Australian regulations, are entitled to British preferential tariff rates. Goods from all countries outside the British Empire are subject to general tariff rates.

India

IMPORT LICENSING SYSTEM ADOPTED

The Canadian Trade Commissioner at Bombay, India, cabled on May 22:—

"Effective May 28, India requires import licences for 68 tariff classifications, all countries. Import licences charged against quotas based pre-war imports. Import licences waived 61 groups all parts British Empire save Hongkong. Licences required all imports under following 7 classifications:—

Vegetable product, jams, jellies, pickles, chutnies, sauces and condiments, canned or bottled.

Chemicals, drugs and medicines, all sorts not otherwise specified.

Rubber tires and tubes and other manufactures of rubber, not otherwise specified, excluding apparel and boots and shoes.

Articles made of paper and papier maché; stationery including drawing and copy books, labels, advertising circulars, sheet or card almanacs and calendars; Christmas, Easter and other cards, including cards in booklet forms; including also waste paper but excluding paper and stationery otherwise specified.

Conveyances not otherwise specified and component parts and accessories thereof; also motor vans and motor lorries imported complete.

Motor cars, including taxicabs, and articles adapted for use as parts and accessories thereof.

Motor omnibuses; chassis of motor omnibuses, motor vans and motor lorries; and parts of mechanically propelled vehicles and accessories not otherwise specified.

Government purchases, or goods arriving before May 28, or ordered before May 15 and shipped before May 28, when registered with Controller before June 20, are exempt. Orders placed before May 20 but not shipped will enter country if registered before June 20 though probably chargeable against quotas."

The Trade Commissioner advised that further details of the import licensing system were forwarded by air mail, and they will be published in due course.

FOREIGN EXCHANGE QUOTATIONS: WEEK ENDING MAY 27, 1940

The Foreign Exchange Division of the Bank of Canada has furnished the following statement of the nominal closing quotations for the principal exchanges for the week ending Monday, May 27, 1940, and for the week ending Monday, May 20, 1940, with the official bank rate:—

Country	Unit	Present or Former Gold Parity	Nominal Quotations in Montreal Week ending May 20	Nominal Quotations in Montreal Week ending May 27	Official Bank Rate
Bulgaria.. . . .	Lev	.0072	.....	.....	6
Finland	Markka	.0252	\$.0218	\$.0219	4
France	Franc	.0392	.0205	.0200	2
Great Britain	Pound	4.8666			
	Buying		4.4300	4.4300	2
	Selling		4.4700	4.4700	—
Greece	Drachma	.0130	.0069	.0067	6
Hungary	Pengo	.1749	.3227	.3227	4
	Unofficial		.1951	.1951	—
Italy.. . . .	Lira	.0526	.0559	.0559	4½
Yugoslavia.. . . .	Dinar	.0176	.0249	.0249	5
Portugal	Escudo	.0442	.0356	.0360	4-4½
Roumania.. . . .	Leu	.0060	.....	.....	3½
Spain	Peseta	.1930	.1013	.1013	4
Sweden.. . . .	Krona	.2680	.2641	.2637	3
Switzerland	Franc	.1930	.2488	.2485	1½
United States.. . . .	Dollar	1.0000			
	Buying		1.1000	1.1000	1
	Selling		1.1100	1.1100	—
Mexico	Peso	.4985	.1847	.1850	3
Cuba.. . . .	Peso	1.0000	.....	.....	—
Guadeloupe	Franc	.0392	.0205	.0200	—
Jamaica.. . . .	Pound	4.8666	4.4800	4.4800	—
Martinique.. . . .	Franc	.0392	.0205	.0200	—
Other British West Indies.. . . .	Dollar	1.0138	.9313	.9313	—
Argentina.. . . .	Peso (Paper)	.4245	.3304	.3304	3½
	Free		.2520	.2503	—
Brazil.. . . .	Milreis (Paper)	.1196	.0670	.0670	—
	Free		.0556	.0558	—
British Guiana	Dollar	1.0138	.9313	.9313	—
Chile	Peso	.1217	.0574	.0574	3-4½
	Export		.0444	.0444	—
Colombia	Peso	.9733	.6343	.6338	4
Peru.. . . .	Sol	.2800	.....	.....	6
Venezuela	Bolivar	.1930	.....	.....	—
Uruguay.. . . .	Peso	1.0342			
	Controlled		.7307	.7307	—
	Uncontrolled		.4298	.4218	—
South Africa.. . . .	Pound	4.8666	4.4600	4.4600	3½
Egypt	Pound (100 Piastres)	4.9431	4.5800	4.5800	—
China (Shanghai)	Dollar	.....	.0627	.0599	—
Hongkong.. . . .	Dollar	.....	.2238	.2201	—
India	Ruppee	.3650	.3359	.3359	3
Japan	Yen	.4985	.2602	.2602	3.29
Java	Guilder	.4020	.....	.....	—
Thailand (Siam)	Baht (Tical)	.4424	.....	.....	—
Straits Settlements.. . . .	Dollar	.5678	.5256	.5256	—
Australia	Pound	4.8666	3.5800	3.5800	3
New Zealand.. . . .	Pound	4.8666	3.5900	3.5900	4

The Dominion Bureau of Statistics has supplied the following note:—

Official buying and selling rates set by the Canadian Foreign Exchange Control Board for sterling and United States funds remained unchanged during the week ended May 27 at \$4.43-\$4.47 and \$1.10-\$1.11, respectively. At New York sterling free market rates dropped 10 cents to \$3.17 on the opening day but a subsequent rally lifted quotations 2½ cents higher to \$3.19½ by the close. During the same interval the Canadian dollar rate at New York dropped 1½ cents to 78 cents on the 21st though the week's closing quotation at 79½ cents showed no net change. Montreal quotations for the French franc ended the week 5 points lower at 2.0 cents while Swiss francs at 24.85 cents were off 3 points. There was a moderate decline in the Argentine peso (free rate), quotations falling 17 points to 25.03 cents between May 20 and 27.

TRADE OPPORTUNITIES ABROAD FOR CANADIAN PRODUCTS

The Trade Inquiries for Canadian products published below have been received since the publication of the last issue of the *Commercial Intelligence Journal*. Interested exporters may secure the names and addresses of the firms making these inquiries, together with further details regarding the commodities required, on application to the Director, Commercial Intelligence Branch, Department of Trade and Commerce, Ottawa, or—

Secretary, Board of Trade—

Saint John, N.B.	Guelph, Ont.	Portage la Prairie, Man.
Halifax, N.S.	Kitchener, Ont.	St. Boniface, Man.
Quebec, P.Q.	Brantford, Ont.	Winnipeg, Man.
Montreal, P.Q.	Stratford, Ont.	Vancouver, B.C.
Toronto, Ont.	Woodstock, Ont.	New Westminster, B.C.
Chatham, Ont.	St. Mary's, Ont.	

Secretary, Chamber of Commerce—

Sherbrooke, P.Q.	Peterborough, Ont.	Victoria, B.C.
Kingston, Ont.	London, Ont.	Prince Rupert, B.C.
Oshawa, Ont.	St. Catharines, Ont.	
Belleville, Ont.	Hamilton, Ont.	

Windsor Chamber of Commerce, Windsor, Ont.

Commercial Intelligence Service, Department of Municipal Affairs, Trade and Commerce, Quebec.

Department of Industry, Brantford, Ont.

Industrial Commissioner, Stratford, Ont.

La Chambre de Commerce de Montréal, 25 St. James E., Montreal, P.Q.

Secretary, Canadian Manufacturers Association—

Toronto, Ont.	Winnipeg, Man.	Vancouver, B.C.
Montreal, P.Q.	Edmonton, Alta.	Victoria, B.C.

Director, Bureau of Industrial and Trade Extension, Department of Trade and Industry, Victoria, B.C.

Canadian exporters should, for follow-up purposes, transmit a copy of any reply sent in response to a Trade Inquiry to the Trade Commissioner in the territory from which the inquiry emanated.

Commodity	No.	Location of Inquirer	Purchase or Agency
Foodstuffs—			
Honey.....	394	Bath, England.....	Purchase.
Semolina for Macaroni and Pastry Making.....	395	Alexandria, Egypt.....	Purchase.
Miscellaneous—			
Cardigans (Ladies'); Lumber Jackets; Jumpers.....	396	Dublin, Ireland.....	Purchase.
Rag Felt.....	397	Cairo, Egypt.....	Agency.
Tracing Paper.....	398	Melbourne, Australia.....	Purchase or Agency.
Blown Bitumen.....	399	Cairo, Egypt.....	Agency.
Mild Steel Wire and Rounds....	400	Birmingham, England....	Purchase.
Woodenware, Household.....	401	New York City, New York	Purchase.
Woodenware, Household.....	402	Durban, South Africa.....	Agency.
Round Wood Tubes for Pencil Refills.....	403	London, England.....	Purchase.
Timber, Pine.....	404	Haifa, Palestine.....	Agency.
Pine for Joinery and Building Purposes.....	405	Tel-Aviv, Palestine.....	Agency.
Lumber, Spruce Standards.....	406	Ardes, Co. Louth, Ireland.	Purchase.
Plywood, Birch or Beech.....	407	Cairo, Egypt.....	Agency.
Plywood.....	408	Tel-Aviv, Palestine.....	Agency.

COMMERCIAL INTELLIGENCE SERVICE

L. D. WILGRESS, *Director*

Argentina

J. A. STRONG, B. Mitre 430, Buenos Aires (1). (Territory includes Uruguay.) *Cable address, Canadian.*

Australia

Sydney: L. M. COSGRAVE. Address for letters—P.O. Box No. 3952V. Office—City Mutual Life Building, Hunter and Bligh Streets. (Territory includes the Australian Capital Territory, New South Wales, Queensland, Northern Territory and Dependencies.) *Cable address, Canadian.*

Melbourne: FREDERICK PALMER, 83 William Street, Melbourne, C.I. (Territory includes States of Victoria, South Australia, Western Australia, and Tasmania.) *Cable address, Canadian.*

Brazil

L. S. GLASS. Address for letters—Caixa Postal 2164, Rio de Janeiro. Office—Ed. Da. "A. Noite," Sala 802, Praca Maua. *Cable address, Canadian.*

British India

PAUL SYKES. Address for letters—P.O. Box 886, Bombay. Office—Gresham Assurance House, Mint Road, Bombay. (Territory includes Burma and Ceylon.) *Cable address, Canadian.*

British Malaya

J. L. MUTTER, Union Building, Singapore, Straits Settlements. (Territory includes the Straits Settlements, the Federated Malay States, the Unfederated Malay States, Thailand, British Borneo, and Netherlands India.) *Cable address, Canadian.*

British West Indies

Trinidad: M. B. PALMER. Address for letters—P.O. Box 125, Port of Spain. Office—Barclay's Bank Building. (Territory includes Barbados, Windward and Leeward Islands, and British Guiana.) *Cable address, Canadian.*

Jamaica: F. W. FRASER, P.O. Box 225, Kingston. Office—Canadian Bank of Commerce Chambers. (Territory includes the Bahamas and British Honduras.) *Cable address, Canadian.*

China

V. E. DUCLOS. Address for letters—P.O. Box 264, Shanghai. Office—Ewo Building, 27 The Bund, Shanghai. (Territory includes Central China and North China.) *Cable address, Canadian.*

Cuba

C. S. BISSETT. Address for letters—Apartado 1945, Havana. Office—Royal Bank of Canada Building, Calle Aguiar 367, Havana. (Territory includes Haiti, the Dominican Republic, and Puerto Rico.) *Cable address, Canadian.*

Egypt

HENRI TURCOT. Address for letters—P.O. Box 1770, Cairo. Office—22 Shari Kasr el Nil, Cairo. (Territory includes the Sudan, Palestine, Cyprus, Iraq, Syria, Iran, Greece, Turkey, Bulgaria, and Roumania.) *Cable address, Canadian.*

France

HERCULE BARRÉ, Commercial Attaché, 3 rue Scribe, Paris (9). (Territory includes French Colonies in North Africa.) *Cable address, Cancomac.*

Hongkong

P. V. McLANE. Address for letters—P.O. Box 80, Hongkong. Office—Hongkong and Shanghai Bank Building, Hongkong. (Territory includes South China, the Philippines, and Indo-China.) *Cable address, Canadian.*

Ireland

JAMES CORMACK, 66 Upper O'Connell Street, Dublin, Ireland (*cable address, Canadian*); and 36 Victoria Square, Belfast, Northern Ireland.

CANADIAN GOVERNMENT TRADE COMMISSIONERS—*Con.*

Italy

- A. B. MUDDIMAN, Via Manzoni Nr. 5, Milan (102). (Territory includes Spain, Portugal, Gibraltar, Malta, Albania, and Yugoslavia.) *Cable address, Canadian.*

Japan

- C. M. CROFT, Commercial Secretary. Address for letters—P.O. Box 18, Akasaka Post Office, Tokyo. Office—Canadian Legation, 16 Omotecho, 3-chome, Akasakaku, Tokyo. *Cable address, Canadian.*

Mexico

- R. T. YOUNG. Address for letters—Apartado Num. 126-Bis, Mexico City. Office—Edificio Banco de Londres y Mexico, Num. 30, Mexico City. (Territory includes Guatemala, Honduras, and Salvador.) *Cable address, Canadian.*

New Zealand

- W. F. BULL. Address for letters—P.O. Box 33, Auckland. Office—Yorkshire House, Shortland Street, Auckland. (Territory includes Fiji and Western Samoa.) *Cable address, Canadian.*

Panama

- H. W. BRIGHTON. Address for letters—P.O. Box 222, Panama City. Office—98 Central Avenue, Panama City. (Territory includes the Canal Zone, Venezuela, Colombia, Nicaragua, and Costa Rica.) *Cable address, Canadian.*

Peru

- M. J. VECHSLER. Address for letters—Casilla 1212, Lima. Office—Edificio Boza, Carabaya 831, Plaza San Martin, Lima. (Territory includes Bolivia, Ecuador, and Chile.) *Cable address, Canadian.*

South Africa

Cape Town: J. C. MACGILLIVRAY. Address for letters—P.O. Box 683. Office—New South African Mutual Buildings, 17 Parliament Street. (Territory includes Cape Province and Southwest Africa, Natal, Tanganyika, Kenya, Uganda, Mauritius, and Madagascar.) *Cable address, Cantracom.*

Johannesburg: J. H. ENGLISH. Address for letters—P.O. Box 715. Office—Prudential Assurance Building, 92 Fox Street. (Territory includes Transvaal, Orange Free State, the Rhodesias, Mozambique or Portuguese East Africa, and Nyasaland.) *Cable address, Cantracom.*

United Kingdom

London: FREDERIC HUDD, Chief Trade Commissioner in the United Kingdom, Canada House, Trafalgar Square, S.W.1. *Cable address, Sleighing, London.*

London: G. R. HEASMAN, Trade Commissioner, Canada House, Trafalgar Square, S.W.1. (Territory includes Home Counties, Southeastern Counties, and East Anglia; also British West Africa.) *Cable address, Sleighing, London.*

London: W. B. GORNALL, Fruit Trade Commissioner, Aldine House, Bedford Street, Strand, W.C.2. *Cable address, Canfrucum.* (Territory—for fresh fruit only—includes United Kingdom, Norway, Denmark, Sweden, France, Holland, and Belgium).

London: G. R. PATERSON, Animal Products Trade Commissioner, Canada House, Trafalgar Square, S.W. 1. *Cable address, Agrilson.*

Liverpool: A. E. BRYAN, Martins Bank Building, Water Street. (Territory includes North of England, Lincolnshire, North Midlands, and North Wales.) *Cable address, Canadian.*

Bristol: E. L. MCCOLL, Northcliffe House, Colston Avenue. (Territory includes West of England, South Wales, and South Midlands.) *Cable address, Canadian.*

Glasgow: G. B. JOHNSON, 200 St. Vincent Street. (Territory covers Scotland.) *Cable address, Cantracom.*

United States

New York City: D. S. COLE, British Empire Building, Rockefeller Center. (Territory includes Bermuda.) *Cable address, Cantracom.*

Chicago: W. J. RIDDIFORD, Tribune Tower, 435 North Michigan Avenue. *Cable address, Canadian.*

Los Angeles: B. C. BUTLER, Associated Realty Building, 510 West Sixth Street. *Cable address, Canadian.*

Note.—Bentley's Second Phrase Code is used by Canadian Trade Commissioners.

COMMERCIAL INTELLIGENCE JOURNAL

Vol. LXII

Ottawa, June 8, 1940

No. 1897



Shop Window Display of Canadian Canned Goods at Cape Town,
South Africa

ISSUED BY AUTHORITY OF

THE HON. JAS. A. MACKINNON, MINISTER OF TRADE AND COMMERCE

J. G. PARMELEE, DEPUTY MINISTER



CONTENTS

	Page
Trade Commissioners on Tour.....	879
United Kingdom Market for Wood Flour.....	879
British Agriculture and Cattle Import Trade in 1939.....	881
Ireland's 1940 Budget.....	886
Business Conditions in Northern Ireland in 1939.....	887
Addresses on Mail for Colombia.....	890
Summary of the Trade of Canada: April.....	891
Wartime Export Trade of the United States.....	892
Market for Granite in the Western United States.....	894
Economic Conditions in Switzerland, 1929.....	896
Italian Fur Trade	904
Conditions in Roumania in 1939.....	908
Conditions in Egypt in 1939.....	910
Mexican Market for Dried Codfish.....	915
Business Conditions in El Salvador and Honduras, January to March	916
Japanese Exports of Tinned Foods.....	917
Tariff Changes and Trade Regulations	919
Exchange Conditions in Brazil	922
Foreign Exchange Quotations	923
Trade Inquiries for Canadian Products	924
Commercial Intelligence Service	925

COMMERCIAL INTELLIGENCE JOURNAL

Issued Every Saturday by the Department of Trade and Commerce

PUBLISHED in English and French. Subscription Price for either edition: \$1 per annum in Canada (single copies 5 cents each); \$3.50 outside the Dominion (single copies 10 cents each). Remittances, which may be made by Post Office or Express Orders, or Drafts, or Cheques, payable at par in Ottawa, should be addressed to the King's Printer, Government Printing Bureau, Ottawa.

Vol. LXII

Ottawa, June 8, 1940

No. 1897

TRADE COMMISSIONERS ON TOUR

Mr. M. B. Palmer, Canadian Trade Commissioner at Port of Spain, Trinidad (whose territory includes Barbados, Windward and Leeward Islands, and British Guiana), and Mr. F. W. Fraser, Canadian Trade Commissioner at Kingston, Jamaica (whose territory includes the Bahamas and British Honduras), are on tour in the Dominion in the interest of Canadian trade with their territories. Following are their itineraries as at present arranged:—

Mr. Palmer

Saint John	June 10 and 11	Quebec	June 26
Grand Manan	June 12 to 14	Ottawa and district	June 27
Kentville	June 15	Brockville, Kingston, and	
Halifax	June 17 to 19	Wellington	June 28
Lunenburg and Liverpool. .	June 20	Toronto and district	July 2 to 13
Charlottetown	June 21 to 24	Hamilton	July 15 and 16

Mr. Fraser

Vancouver, New Westmin-		St. Thomas	July 6
ster and Victoria	June 10 to 12	Watford and Sarnia	July 8
Edmonton	June 14	Windsor and Walkerville.	July 9
Toronto and district	June 17 to 29	Chatham and district	July 10
Aurora and district	July 2	Woodstock and district	July 11
Owen Sound and district	July 3	Niagara Falls and district	July 12
London and St. Mary's	July 4 and 5	Hamilton and Burlington.	July 13 to 16

Canadian firms who wish to be brought in touch with the Trade Commissioners should communicate, for Toronto, Edmonton, Vancouver, and Victoria, with the office of the Canadian Manufacturers Association; and for other centres, with the respective Board of Trade or Chamber of Commerce.

UNITED KINGDOM MARKET FOR WOOD FLOUR

G. R. HEASMAN, CANADIAN TRADE COMMISSIONER

London, May 9, 1940.—Attempts to market Canadian wood flour in the United Kingdom in the past have not been very successful, but there may be greater opportunity to do so now.

REQUIREMENTS

In a report on wood flour for the United Kingdom, which appeared in the *Commercial Intelligence Journal* nearly six years ago, the uses of and requirements for wood flour were described thus:—

Wood flour is used extensively in a number of industries and for a number of purposes, such as all types of plastic construction, the manufacture of a wide variety of moulded products, as well as linoleum, explosives, etc.

For these purposes various types and grades of wood flour are required, each manufacturer having his own specifications which must be adhered to. The variation, however, in the requirements of the whole industry, and indeed of nearly every user, should be of advantage to the wood-flour producer as opening a wider outlet than would be possible if only one grade were in demand.

It is quite impossible to give details of wood-flour requirements of consumers in the United Kingdom. In general, however, a white flour produced from Swedish spruce is at

present being used. It seems probable, therefore, that nearly any Canadian softwood producing a white or light-coloured flour would be suitable. Generally speaking, a low resin content is necessary, probably with a maximum allowance of 2 per cent, while a moisture content as low as 5 per cent may be necessary. A further requirement is that wood flour be clean, uniform and absolutely free from all impurities. A recent survey of the market indicates that all grades of fineness from 80 to 200 mesh are used. Probably, however, from 80 to 100 mesh are most in demand for plastics and explosives, a much coarser grade being used for the linoleum trade.

The requirements and specifications to-day are substantially the same. The main difference is that Scandinavia is now no longer a reliable source of supply. There are no import statistics on this product so that it is not possible to state the quantity imported, but it is known that there is still a large number of users of wood flour. One of the largest firms manufacturing explosives advises that it is not interested in wood flour for military explosives, so that the market in that industry is limited to the comparatively small quantity required for other types of explosives. Thus the largest outlet for wood flour is for the manufacture of moulded articles and plastic construction.

In addition to importing wood flour, the United Kingdom itself has been a large producer. However, with serious curtailment in the imports of timber, it is feared that even domestic supplies of wood flour may be seriously affected. In a recent survey of thirteen known users, five replied indicating interest and a desire to examine samples and obtain prices. In nearly every instance the possibility of limited supplies in the future, rather than any present shortage, was the reason for this interest.

In the past, importers have complained about Canadian quality and price and the fact that delivery from Canada could not be made as frequently as delivery from Scandinavia. Under present conditions it is possible that importers will not be so particular as to quality and price, and delivery is not likely to be so good from Scandinavia as from Canada.

Specifications, to repeat, will naturally vary with the particular use to which the wood flour is to be put and by the particular requirements of the individual firms. Some of these requirements or specifications call for a minimum 80 mesh Columbian pine or white wood flour with the following analysis: ash, 0.3 per cent; acetone extract, 4 per cent; acetone residue, 88 per cent; moisture content, 8 per cent; sieve test, 1.5 per cent (on given mesh, BSS. 410/1931). Colour is to be compared with buyer's standards.

One firm approached advises that it uses a particularly high grade of wood flour and would require material of 120 mesh. Another large firm inquiring pointed out that the material must be uniform in colour and entirely free from specks of bark and have a moisture content between 5 and 10 per cent. Furthermore, it should be made of wood of low resin content. The material was required in 80-100-120 mesh. The 80-mesh product seems to be most in demand.

PRICES, PACKING AND SAMPLES

One firm advised selling 80-mesh wood flour in London at £7 per ton, so that a c.i.f. price would have to be considerably below this figure. The whole question of price naturally varies considerably with the quality and purity guarantee. Quotations should preferably be c.i.f. United Kingdom ports with a clause to the effect that any increase in ocean freight or insurance rates would be for buyer's account. The material would have to be packed in large hessian bags.

There is no duty on wood flour from Canada, but foreign supplies are subject to a rate of 15 per cent ad valorem. At present no licence is required to import wood flour, but there may be some difficulty in obtaining shipping space.

Samples should be in quantities of not less than two and three pounds, as these are the smallest which can be intelligently examined.

The names of firms which have requested samples and prices may be obtained from the Department of Trade and Commerce, Ottawa.

BRITISH AGRICULTURE AND CATTLE IMPORT TRADE IN 1939

G. R. PATERSON, ANIMAL PRODUCTS TRADE COMMISSIONER IN THE UNITED KINGDOM

The lower price levels of live stock reached toward the end of 1938 in the United Kingdom continued into 1939. However, except in the case of sheep, all owners of live stock had a fairly steady trade until the outbreak of war. From then to the end of the year price movements were more pronounced. Prices of dairy cows advanced sharply and those of cattle and pigs rose rapidly as soon as price control was temporarily removed in early December.

CROPS

Except in certain districts in the southwest of England, the hay crop was normal in 1939 and grain crops in general were above the average in yield. Some difficulties in harvesting were experienced in the northern districts of England and Scotland where the season is somewhat later. For the greater part of the year plentiful supplies of imported feeding stuffs were available at reasonable prices and proved a valuable supplement to the home-produced feeds.

The following table shows the provisional estimates of production and yield of principal crops in England and Wales in 1939:—

Estimated Production and Yield of Certain Crops in England and Wales, 1939

	Acreage 1,000 Acres	Total Production 1,000 Tons	1939 Cwt.	1929-38 Average Cwt.
Wheat	1,683	1,555	18.5	17.8
Barley	910	794	17.5	16.2
Oats	1,358	1,119	16.5	15.8
			Tons	Tons
Potatoes	454	3,312	7.3	6.6
Turnips and swedes	394	4,947	12.5	11.3
Mangolds	209	3,938	18.8	18.2
			Cwt.	Cwt.
Beans for stock-feeding or seed	133	109	16.4	16.3†
Peas for stock-feeding or seed	37	23	12.7	14.8†
Seeds hay‡	1,303	1,700	26.1	26.1
Meadow hay§	4,612	4,535	19.7	19.3
		1,000 Cwt.		
Hops	18.8	288	15.3	12.9
			Tons	Tons
Sugar-beet	336	*	*	8.6

* Not available.

† Peas and beans harvested as corn up to 1934.

‡ Hay from clover, sainfoin and grasses under rotation.

§ Hay from permanent grass.

MEASURES TO INCREASE PRODUCTION

Since the autumn of 1938 much attention had been devoted to the question of organizing the home production of food in case Britain should become involved in war. On May 3, 1939, it was announced that, in order to build up reserves of fertility as an aid to increased production in time of emergency, farmers were to be encouraged by a subsidy of £2 per acre to break up old grassland (before September 30, 1939) and to bring it to a state of cleanliness and fertility, either by re-seeding immediately or by following and sowing down with an approved crop with the ultimate view to re-seeding. About the middle of May a more detailed statement of the Government's general policy for assisting agriculture was announced. This included, in addition to the subsidy for ploughing up, an increase in the maximum subsidy from £1 to £2 6s. 8d. payable to oat growers, as well as a form of price insurance for barley growers. At the same time the claims of the sheep farmers were recognized in principle

and a scheme for assuring a minimum price throughout the year for a limited number of sheep was announced. Due to lack of general approval on the part of sheep farmers this latter policy did not really come into effect. Just prior to the declaration of war the ploughing-up subsidy was extended first to the end of October and then to December 31. Immediately after the outbreak of war the Government called upon farmers of Britain to bring 1,500,000 more acres under the plough and the date for the subsidy was extended to March 31, 1940.

WARTIME CONTROLS

In addition to the encouragement outlined for the production of more feeding stuffs at home, a vast amount of other legislation affecting agriculture in one way or another was passed during the last four months of the year. Prices of fat stock and the methods of marketing them were partially controlled; the function of the Potato Marketing Board was suspended and potato prices were controlled; dealings in wool were prohibited; maximum prices of butter, eggs and feeding stuffs were ordered. Some of the live-stock improvement schemes and the milk recording grants were discontinued with little prospect of being resumed until after the war.

It was announced toward the end of the year that complete control of live-stock and meat prices and marketings would become operative early in 1940. At the same time higher maximum prices for feeding stuffs would be introduced. The difficulties of the farmer were increased to some extent by a shortage of imported feeding stuffs, and the Minister of Agriculture warned pig and poultry keepers that their supplies would be cut down by at least one-third. It is expected this situation will be relieved somewhat by the increased production anticipated in 1940. The oat subsidy was raised from 24s. to 27s. per quarter at the end of the year.

CATTLE

The annual census of cattle taken by the Ministry of Agriculture on June 3 showed the total cattle population of England and Wales as 6,762,200 as compared with 6,714,300, an increase of 47,900 head (0·7 per cent). Cows and heifers in milk numbered 2,251,800; cows in calf but not in milk, 391,200; heifers in calf, 458,500; other cattle, under one year, 1,283,000; other cattle, one year and under two, 1,344,300; and other cattle, two years and over, 1,033,400. The chief increases recorded were in "other cattle," one year and under two (4·2 per cent) and two years and over (5·1 per cent).

For Scotland the official census showed the total cattle population at 1,360,000 head as compared with 1,315,700 in 1938, an increase of 44,300 (3·4 per cent). The major increase was in "other cattle," one year and under two, the number of which rose by 20,700 head (6·7 per cent).

The classified subsidy payments under the Livestock Industry Act, effective from August 1, 1937, continued to be a feature of the cattle policy in the United Kingdom in 1939. The increased subsidy allowed for home-bred cattle, as compared with imported cattle, had been designed to encourage home-breeding and increase the supply of home stores for British farmers. That it had achieved the desired object is indicated by the increases in cattle, particularly young stock, both in England and Wales and Scotland.

MARKETINGS

In spite of the foregoing figures, during the first thirty-five weeks of the year (to August 30), the only period for which statistics are available, the supplies of fat cattle at representative markets in Great Britain were 21,835 head (6·25 per cent) below the average for the corresponding period of 1936-38. Supplies of stores, however, during the same period were practically maintained.

Decreases in marketings may be accounted for by the fact that supplies of fat cattle from Ireland were 17,989 head lower than in the corresponding period in 1938. Canada contributed only 1,161 steers in 1939 as against 25,262 head during 1938. Many of the cattle in the Canadian figures would be classified as stores, and consequently would not add to the number of fat cattle. At the same time the supply of stores from Ireland showed a very great increase in volume rising by 77,387 head (26·6 per cent).

PRICES

Generally speaking, cattle, prices during the pre-war period of 1939 were below those recorded for 1938. Decreases ranged from 1s. 6d. to 4s. 10d. per hundredweight during the first six months of the year as compared with the first half of 1938. In July and August, however, the same prices were realized as in the corresponding months of the previous year. Top prices were made in May when 44s. 3d. per live hundredweight was the average.

During the first eight months of 1939, the pre-war period, the cattle trade was fairly steady, but after the outbreak of hostilities price movements were naturally more pronounced. Immediately after the war began the Government announced that live-stock prices would remain at the immediate pre-war level. This upset markets to some extent at that time, and although an all-round tendency for a firmer trade was noted for most descriptions of fat animals, the most important effect was the advance in the price of store stock which were not affected by the order. On December 4 price controls were temporarily withdrawn until January, 1940. The average price for fat cattle during the period of the Standstill Order was in the neighbourhood of 43s. 6d. per live hundredweight. After the suspension of the order prices rose until the average price approximated 50s. during the last week of the year.

A prominent feature of the 1939 live-stock trade was the interest in dairy cows. General firmness was noted throughout the pre-war period, but during the last four months of the year prices rose as much as 30 per cent in some sections of the country for newly-calved dairy cows and heifers. Some liquidation of dairy stock was reported, particularly in those areas where there was an acute shortage of feed. Although feeding-stuff prices were controlled, the difficulty encountered by many dairymen in obtaining sufficient supplies of concentrates was perhaps the most important reason for this liquidation. The replacement of low producers with superior quality animals was responsible for many changes in the dairy herds. Cows and calves from attested herds were favoured and made from £5 to £8 per head more than others.

Another important point with regard to the dairy business was the announcement by the Government late in the year that, instead of agreeing to a rise in the price of milk to the consuming public, a further grant would be made to milk producers in the form of an increased Government subsidy during the winter months.

LEGISLATION

The outstanding legislation affecting the dairy industry was the introduction of the Milk Industry (No. 2) Bill, 1939. This Bill provided, during the two-year period from October 1, 1938, to September 30, 1940, for the following proposals, similar to those contained in the Milk Industry Bill which was introduced in 1938 and subsequently withdrawn:—

- (i) the encouragement of quality milk production by the provision of Exchequer contributions towards the cost of premiums paid on quality milks by milk marketing boards;
- (ii) Exchequer assistance to enable, with the co-operation of the industry, the milk in schools schemes to be continued and schemes to be operated for the provision of milk at reduced prices to welfare authorities in connection with their maternity and child welfare arrangements;

- (iii) putting a bottom in the market for milk for manufacture into butter or cheese, by providing for payments to milk marketing boards in respect of such milk, in the event of serious declines in the price levels of imported butter and cheese being sustained over six-month periods;
- (iv) the Consumer's Committees appointed under Section 9 of the Agricultural Marketing Act, 1931, to be consulted by milk marketing boards or milk product marketing boards before they exercise powers to determine prices or terms of sale of milk, or milk products, as the case may be.

CANADIAN CATTLE

The movement of cattle from Canada to the United Kingdom in 1939 was the lowest in point of numbers for many years. This was partly due to the outbreak of war at the beginning of September, shortly after which importations ceased. The movement to the United Kingdom, however, largely consisted of dairy cattle, the United States market for beef cattle holding a distinct advantage over the United Kingdom market. The imports of Canadian cattle during each month in 1939 in comparison with 1938 and 1937 were as follows:—

Imports of Canadian Cattle into the United Kingdom

Month	1937	1938	1939
January . . . . .	....	1,988	157
February	198	3,078	....
March	211	4,758	193
April	474	3,020	....
May	1,336	3,839	329
June	1,034	4,683	940
July	1,675	3,155	976
August	2,252	1,271	998
September	2,056	672	351
October . . . . .	....	464	....
November	508	170	....
December . . . . .	....	324	....
Total	9,744	27,422	3,944

In 1939 there were 1,094 head of Canadian beef steers landed at Glasgow and 67 head at Cardiff. No importations were made through Birkenhead. The average price for Canadian cattle at Glasgow was approximately \$8.75 per 100 pounds live weight, with a range from \$7.50 to \$11 as compared with \$7.50 to \$9 in 1938. However, the low and high figures in the range for 1939 were for small lots only, 24 head and 4 head respectively. All arrivals at Glasgow occurred during the months of June, July and August.

CANADIAN DAIRY CATTLE

The importations of Canadian dairy cattle into the United Kingdom in 1939 were higher in number than in any preceding year since shipments commenced in 1933. Undoubtedly the outbreak of hostilities in early September, and the consequent cessation of importations, prevented several hundreds more from reaching this market.

Importations for the years 1933 to 1939 were: 1933, 513 head; 1934, 2,143; 1935, 293; 1936, 654; 1937, 810; 1938, 2,150; 1939, 2,783 head. Imports in 1939 from Canada consisted almost entirely of Holstein-Friesians, although a sprinkling of Ayrshires and some Jerseys were included, the latter coming forward on special order. Arrivals at Glasgow were 1,632 as compared with 1,208 head in 1938 and at Cardiff 1,151 as against 925 head.

Inspection.—Canadian dairy cattle are closely examined before departure by the Dominion Department of Agriculture from the standpoint of their suitability as to type and milking qualities before departure from Canada, and also carry a clean bill of health from the Health of Animals Branch in so far as tuberculosis and Bang's disease are concerned. They are eagerly sought after

in the United Kingdom, because, in addition to their health status, they are also much desired in the herds of many United Kingdom dairymen for their well-known ability to produce large quantities of milk. Nevertheless, they are further subjected to inspection upon their arrival at United Kingdom ports. They must pass the Port Veterinary Officer of the Ministry of Agriculture, and are also examined by a live-stock officer as to their suitability for breeding purposes. In past years a considerable amount of controversy has developed due to the number of rejections that have been made from time to time by the live-stock officers. In spite of the differences of opinion that prevail as to what constitutes a good dairy cow or heifer, in 1939 only 16 animals were rejected by the Ministry officers as compared to 52 and 30 head in 1938 and 1937 respectively.

Prices.—The following table shows the average prices realized for Canadian Holstein-Friesians during the various months of arrival:—

	Head	Port	Average Sale Price		
			£	s.	d.
February	86	Glasgow	21	11	0
	67	Liverpool	24	10	0
	47	Cardiff	25	14	0
March	35	Chester	27	5	0
	75	Cardiff	22	3	8
	137	Cardiff	25	15	4
May	59	Cardiff	24	12	10
June	152	Glasgow	26	6	0
	92	Cardiff	23	10	0
	167	Cardiff	24	18	0
July	112	Glasgow	22	3	4
	167	Glasgow	26	6	0
	15	Cardiff	27	10	0
August	144	Glasgow	24	0	0
	211	Glasgow	25	3	10
	20	Glasgow	24	15	0
September	149	Cardiff	26	5	0
	23	Cardiff	23	0	0
	101	Glasgow	27	6	4
	243	Cardiff	28	10	0

The demand for Canadian Holstein-Friesians of good type and milking qualities was particularly keen during the period of shipping in 1939. Unfortunately the outbreak of war suspended further importations during the autumn and winter months when milk yields are normally short, prices are high, and the demand is greater for cows and heifers freshly calved or due to calve.

Entry to Attested Herds.—The fact that pedigreed Canadian animals are not permitted entry in the British Friesian Herd Book may be considered somewhat of a handicap in the extension of the trade, but steps were being undertaken by interested owners of Canadian cows to commence a herd book of their own. While some opposition could be expected from British Friesian authorities, it was firmly believed by those sponsoring the movement that sufficient support would be forthcoming to make such a herd book reasonably successful.

During the year the Ministry of Agriculture was approached with the object of having the regulations extended so that Canadian cattle carrying the Dominion Health of Animals Branch tuberculosis certificate could be granted immediate entry to attested herds in the United Kingdom. This and other factors in the development of the Canadian dairy cattle trade will now have to be suspended until after the war.

HORSES

The official annual census showed a total of 844,700 horses in England and Wales in 1939 as compared with 856,700 in 1938. The respective census figures for Scotland were 142,300 and 144,800. The decrease in the number of horses as revealed was largely confined to those listed as "horses used for agricultural

purposes (including mares for breeding)," these showing a decrease of 13,900 in England and Wales and 4,500 in Scotland. Increases took place in those listed as "young horses" in England and Wales and Scotland.

The trade in horses was not very good in most parts of the country during the first six months of 1939. With the declaration of war, however, and the intensified feed production campaign introduced by the Government, values for good farm horses at once hardened. At the end of the year prices had settled at a fairly satisfactory level from 10 to 12 per cent above those ruling prior to September. Young working horses brought from £45 to £60 during the latter part of the year. Older horses made somewhat higher prices in some sections than good young work horses, in some areas as high as £90.

IRELAND'S 1940 BUDGET

JAMES CORMACK, CANADIAN TRADE COMMISSIONER

Dublin, May 9, 1940.—The ninth budget of the Fianna Fail Government was introduced in the Dail on May 8 by the Minister of Finance, six months after the introduction of the supplementary budget, which imposed additional taxation necessitated by defence and other national preparations following the outbreak of war. The general public fully expected a budget calling for greatly increased taxation, but, thanks to the maintenance of yields from customs, excise and inland revenue, tax changes are small. The total tax revenue is £792,000 above the November estimate. This result has been due largely to increased values of all commodities, ad valorem duties being calculated on c.i.f. prices, and to the fact that merchants, fearing shortages and other restrictions, proceeded to stock up as fully as circumstances would permit.

On the expenditure side, the figures are less encouraging. The total issues for central fund and supply services amounted to £34,395,000, or an increase of £1,285,000, as compared with the previous financial year. Expenditure on the army last year reached the high figure of £2,973,000, or an increase of nearly 70 per cent over the previous year.

At March 31 last, the gross capital liabilities of the State totalled £81,088,000, having increased in the year by £4,740,000. This sum includes the estimated capital value of the State liability in respect of housing, amounting to £8,500,000. Capital assets rose from £38,630,000 to £40,900,000, an increase of £2,270,000.

The estimate for central fund and supply services for the current year is £35,584,000, and that for total tax and non-tax revenue at existing rates is £32,968,000, leaving the sum of £2,616,000 to be provided. The Minister of Finance estimated that the income tax increase from 5s. 6d. to 6s. 6d. in the pound, made in the supplementary budget, will reduce that sum to £1,866,000, which he proposed to meet by borrowing and saving rather than by increased taxation.

Tax changes are contained in thirteen financial resolutions, none of which makes very important changes. The chief increases are in the super-tax on income over £20,000, wireless licences (10s. to 12s. 6d. per annum), excise duty on cider (1s. per gallon), a new customs duty on wadding, and a few minor customs changes covering cider, greaseproof paper, etc. On the other hand, concessions are promised in the form of a rebate of duty to small brewers (10s. to 5s. per barrel), a reduction of one penny per ounce on cheap varieties of pipe tobacco, and exemption from customs duty on the "talkie" portion of film projectors.

BUSINESS CONDITIONS IN NORTHERN IRELAND IN 1939

JAMES CORMACK, CANADIAN TRADE COMMISSIONER

Dublin, April 26, 1940.—Government policy since 1938 has been to encourage the production of foodstuffs. The agricultural Development Act and the Compulsory Tillage Order were designed to add 250,000 acres to cultivated land in Northern Ireland, and to stimulate added production among large and small farmers.

AGRICULTURE

The agricultural statistics of Northern Ireland for 1939 show a small decrease, amounting to 7,392 acres, in the area under corn crops. It is accounted for by a substantial fall in wheat owing to inclement autumn weather. In the case of oats there was a small decline of 5,195 acres (1.8 per cent) from the high level of 1938, when the area under this crop increased by approximately 40,000 acres under the stimulus of the oats and barley subsidy scheme. The area under barley increased by 63 acres. Green crops showed a decline of 11,482 acres, of which 8,406 acres is accounted for by a fall in the potato acreage. The total ploughed land area was 470,773 acres as against 488,964 acres in 1938, but it was 20,830 acres greater than the area ploughed in 1937. The area under hay showed an increase of 4,676 acres. The total area in crops and pasture declined by 6,022 acres from 1938.

While the crops area declined, the numbers of live stock increased, except in the cases of agricultural horses and young unbroken horses. There was an increase in dairy cattle of slightly more than 10,000 head, and an increase in the number of cattle under one year old. The numbers of other cattle fell slightly. The total number of cattle, which in 1938 had shown an increase for the first time since 1935, rose further by slightly over 21,000 to 753,028. The number of sheep showed a slight increase of 1,181 to reach a new record.

There was a record number of sows (63,000) in Northern Ireland in 1939, total pigs being 627,124. The Pig Industry Council fixed producers' prices on December 4.

Towards the end of the year there was an acute shortage of animal feed in the North. Prices of oats rose sharply on the outbreak of war, the index figure for November, 1939, being 126 as compared with 72 a year previously. Potato prices also advanced from 77 to 98. Under the Livestock Control Scheme the farmers of Northern Ireland were to be treated exactly as the farmers of Great Britain. At the end of the year the prices for fat cattle and sheep were controlled by the Ministry of Food; rationing of meat followed later, also the fixing of maximum retail prices for beef, mutton, lamb, veal, pork and offals.

The milk trade was prosperous in 1939. Early in November maximum prices for eggs were fixed on a quality basis, these prices representing an increase of some 20 per cent over prices a year earlier. The poultry trade suffered late in the year from a lack of feed, but previously supplies were plentiful and prices remunerative. The total number of poultry showed a slight increase, being more than 10,200,000.

The Ulster flax crop was put under control in November, its sale being allowed only to the Ministry of Supply, and all flax being ordered to be graded at the mills and paid for at the market.

The agricultural labour problem remained difficult. How far the introduction of wage-fixing machinery under the recently passed Agricultural Wages Regulation Act, 1939, will stabilize conditions remains to be seen. Farmers again took full advantage of the Ministry of Agriculture's scheme for grants for land improvement work. The Ministry's scheme to supply farmers with extra capital enjoyed increased popularity. The amount of loans for the pur-

chase of live stock, seeds and fertilizers increased considerably, while the development of the ploughing-up campaign encouraged many to take advantage of loans to buy lime and basic slag.

TRADE AND SHIPPING

The usual figures for the trade of the port of Belfast are not available for a period later than April 30, 1939. Those for the twelve months ending that date show imports at 3,154,993 tons as compared with 3,198,373 for the previous twelve months, and exports at 508,943 and 547,464 tons respectively.

ELECTRICAL PROGRESS

The year 1939 showed marked progress in electricity sales. At March 31 the Belfast Corporation Electricity Department had sold 193,499,303 units for that year, an increase of nearly 15,000,000 units over the previous year's figures. Of that amount the Electricity Board of Northern Ireland bought in bulk some 45,000,000 units. The greatest increase in consumption (32 per cent) was for domestic purposes. The number of consumers increased by 8,409 to the total of 75,956.

INDUSTRY

The threat and the outbreak of war brought prosperity to some Northern Ireland industries and injured others. Rising costs, difficulty in obtaining raw materials, transfer of labour to the services, compulsory insurance, Government controls and regulations, petrol and other rationing, and the black-out, contributed to hamper industry towards the end of the year. On the whole, however, except for the motor industry, nearly all branches of trade and industry found their opportunities for making profits little impaired, and many branches, especially food, shipping, engineering and "war" industries, were booming.

LINEN TRADE

In January, 1939, the Soviet Government notified leading importers that it would not continue to supply scutched flax, hackled flax or tow, so buyers were diverted to other Baltic sources, where they found an unusual amount of German buying and a shortage of supplies. In summer the Soviet reopened sales, but cancelled all deliveries when war broke out. This situation led the British Government to control prices and buying, and to inaugurate a flax development scheme to increase the growing of flax and to improve production by more modern machinery and methods. At the end of 1939 the Ministry of Agriculture of Northern Ireland, authorized by the Minister of Supply, announced that the price for the 1940 Northern Ireland flax crop had been fixed at 17s. 6d. to 22s. 6d. per stone with an average price of 20s. per stone. For the 1939 crop the prices ranged from 10s. to 16s. 6d. per stone over six grades. It is assumed that the new prices will range accordingly. It is expected that, as a result of the better terms now offered, there will be an increase in the acreage under flax.

The United Kingdom-United States Trade Agreement, which came into force at the beginning of 1939, favoured Irish linens by a big reduction of duty. The finishing work on Irish fine linen done in China was resumed in 1939. Germany's absorption of the Czech linen industry excluded it from the benefits of many favoured-nation tariffs, and generally the stage was set for a very prosperous linen year in Northern Ireland. The shortage of flax before-mentioned and the war have, however, offset the success of the earlier months of the year.

The change-over of the industry from peace to wartime footing on such a comprehensive scale was effected smoothly on the whole, although manufacturers and merchants were inclined to grumble over the effects of the legion of emergency regulations. The change brought about a transformation in the

prices of finished linen goods. Prior to September quotations had been below replacement costs in most lines; then, along with rising raw material values, came Government provisions for war insurance and the like. Costs of these, when added to advances of 40 to 50 per cent in yarns and later to increases in workers' wages, led sellers to make an advance of about 50 per cent, which in turn brought some complaints from buyers.

An important restriction effected by the war control of the industry has been the suspension of the publication of all statistics relating to overseas trade, and only trade figures for the first eight months of 1939 are available. It may be taken that linen exports during the remaining four months were pro rata with those of British exports generally. According to the president of the Board of Trade, "during the first month (September) of the war exports dropped by 38 per cent. Only a slight improvement occurred in October, but in November the rise was about 50 per cent, and it brought the figures back to pre-war level, though not quite back to that of November, 1938."

Comparative figures of exports of all linen cloth for eight months' periods are: 1939, 46,601,000 square yards valued at £2,810,139; 1938, 34,479,000 square yards at £2,438,366; 1926-35 average, 47,252,000 square yards at £3,200,650.

The total value of all linen manufactures, cloth, damasks, handkerchiefs, towels, made-up canvas goods, unclassified items, and thread, exported during the period January-August, 1939, is computed at about £4,148,725. Totals for the corresponding periods of previous years are £5,284,820 for 1937 and £3,654,081 for 1938.

The average price per square yard during 1939 was 14·4d. as compared with 6·6d., 13·2d., 15d., and 16·11d. in 1914, 1936, 1937 and 1938 respectively.

SHIPBUILDING

Naval orders of considerable tonnage were placed during 1939 in Belfast, but the details are secret. Over 120,000 tons of merchant shipping were completed in 1939, mostly refrigerated food ships. Marine engines of some 120,000 h.p. were turned out during the year, and much reconstruction and repair work to vessels completed. Over £400,000 is to be spent on deepening and improving Belfast harbour.

ENGINEERING

The engineering trade of Northern Ireland had a successful year. Many contracts for the Air Ministry and the War Department were placed for camps and barracks, aerodromes and the like. Although private work has declined and much normal municipal expenditure has been curtailed, the construction of air raid shelters and other buildings has provided engineers and contractors with work. Machinery and other changes in the linen trade will have an adverse effect on local machine production and repairs for a year or so, but the manufacture of marine and air machinery has considerably increased. This work has been spread over many works, the machine tool trades being especially busy. The mechanization of the army has provided an outlet for many items covered by the engineering trade.

ROPEMAKING

Sales of binder twine for the home market showed a distinct increase in 1939. In view of the increased cultivation scheme, it is expected that the demand will be much larger during 1940. Plant for the production of binder twine was fully occupied and almost 2,000 tons were shipped overseas in the year. Immediately prior to the war business in trawl twine and nets was about usual, but with the altered conditions in September the demand for deep-sea trawling gear dropped considerably. Braiders were fully employed on war work.

There has been a considerable increase in the orders for medium-sized and large ropes, but not to the full extent of capacity. The small rope section was exceptionally busy.

As with the home trade, the export business livened up, and there were increased sales, particularly to the Canadian and American markets. Apart from the fact that the war has created a greater demand for rope products, prior to September general business showed a substantial improvement on last year. Since then the difficulty has been to meet the demand. Employment has been given to an additional 300 workers, and tonnage shows an increase of 2,000 tons.

BAKING TRADE

Throughout 1939 the baking trade was affected by food defence plans, large stocks of wheat, etc., being put into storage. As a result, there has been no scarcity of flour or bread in Northern Ireland, and none is expected.

Because of Government policy, flour prices were lower at the end of 1939 than at the beginning, although substantially higher than at the beginning of the war. Wheat flour prices advanced during the summer but fell in the early autumn owing to a slackening of Government demands and exceptionally large harvests. The price of flour is controlled in Northern Ireland, and the quality has been very satisfactory. Bread prices at the year's end were at the same level as in August, although there have been heavy increases in most bakery costs.

The Northern Ireland Baking Trade Board held many meetings during the year trying to work out a code applicable to the whole industry. Considerable progress was made with the work. There were demands for higher wages as a result of the higher cost of living, and carters, motor-drivers and stablemen received increases.

The biscuit trade reported a successful year. Tins of biscuits make a good and successful "hoard" against a possible food shortage, and doubtless that fact and an intense advertising campaign accounted for the very big demand which followed the outbreak of war.

ADDRESSES ON MAIL FOR COLOMBIA

H. W. BRIGHTON, CANADIAN TRADE COMMISSIONER

Panama City, May 14, 1940.—When giving the postal address of firms in Colombia it is the usual practice of the firms and of this office to give two separate post office box numbers, expressed as Apartado Nacional 000, or, Apartado Aereo 000, followed by the name of the city.

This procedure has led to a considerable amount of confusion. In Colombia the state operates the general post offices as in Canada and mail to be distributed through these should be addressed to the firm, Apartado Nacional 000, name of city. This is for ordinary mail. When air mail is sent it should not be addressed to the general post office if the air mail (Aereo) post box number is known, but to the firm, Apartado Aereo 000, name of city. In all the principal centres there are actually two separate post offices: the general post office and a separate air mail post office. This is because the air mail is operated under charter by a private company and has no connection with the state-operated post offices.

In writing to Colombia, or Venezuela, it is well to remember that by ordinary mail anything up to one month may be required for a letter to reach its destination. Consequently, it is advisable for Canadian firms to use air mail when forwarding prices or any other important data.

SUMMARY OF THE TRADE OF CANADA: MONTH, FOUR MONTHS, AND TWELVE MONTHS ENDING APRIL, 1940

(EXCLUDING GOLD)

(Compiled by External Trade Branch, Dominion Bureau of Statistics)

Main Groups	Month of April, 1940			Four Months ending April, 1940			Twelve Months ending April, 1940		
	Total Imports	From United Kingdom	From United States	Total Imports	From United Kingdom	From United States	Total Imports	From United Kingdom	From United States
	\$	\$	\$	\$	\$	\$	\$	\$	\$
<i>Imports for Consumption</i>									
Agricultural and Vegetable Products.....	12,232,148	826,959	5,170,709	43,551,958	2,702,975	17,219,090	140,951,116	11,091,591	50,009,873
Animals and Animal Products.....	3,385,170	276,442	1,804,009	17,022,522	1,361,043	10,901,732	41,340,041	4,406,356	23,637,508
Fibres, Textiles and Textile Products.....	16,250,412	6,100,412	7,139,508	60,125,958	20,026,180	28,658,928	132,494,626	47,963,127	60,473,503
Wood, Wood Products and Paper.....	3,838,785	2,200,355	2,934,897	12,594,897	813,387	11,182,607	36,354,821	2,949,994	31,386,113
Iron and Its Products.....	24,348,589	2,008,948	21,782,817	79,543,882	5,911,194	71,931,177	217,177,852	20,595,778	190,220,149
Non-Ferrous Metals and their Products.....	4,434,294	3,355,679	16,978,259	48,843,877	1,855,898	12,567,049	48,843,877	5,277,401	34,445,629
Non-Ferrous Minerals and their Products.....	9,321,364	726,107	7,219,315	31,644,280	2,712,416	28,630,347	139,473,721	12,881,276	110,241,939
Chemicals and Allied Products.....	4,029,700	1,185,782	3,096,335	15,154,388	5,154,388	11,438,920	49,581,143	8,246,122	35,371,798
Miscellaneous Commodities.....	8,662,517	2,259,938	6,033,333	25,223,469	5,910,712	18,257,777	65,324,741	12,160,272	48,207,791
Total Imports, 1940.....	85,979,519	13,368,275	58,556,937	304,859,113	44,361,848	209,908,227	871,502,538	126,231,115	584,273,634
1939.....	41,908,347	6,642,958	28,352,972	184,412,109	32,138,142	122,553,059	651,240,993	113,092,218	409,452,780
1938.....	48,895,418	9,186,757	31,377,009	210,622,500	38,338,354	137,780,846	791,079,274	143,988,705	481,955,779
<i>Exports (Canadian Produce)</i>									
Agricultural and Vegetable Products.....	13,482,981	7,913,313	2,368,902	67,790,331	47,106,850	8,371,602	246,087,964	117,834,675	\$
Animals and Animal Products.....	13,153,181	8,651,402	3,374,650	52,831,722	34,703,595	13,722,241	143,591,705	86,975,794	43,039,744
Fibres, Textiles and Textile Products.....	1,006,958	564,630	100,218	6,140,094	1,773,569	403,230	16,570,666	4,057,810	2,448,008
Wood, Wood Products and Paper.....	24,754,171	4,311,405	16,185,893	86,151,842	15,285,711	55,114,932	205,335,067	49,314,355	176,022,321
Iron and Its Products.....	4,165,187	1,942,562	3,313,356	21,322,843	7,319,781	1,299,247	63,545,058	17,956,216	4,978,851
Non-Ferrous Metals and their Products.....	16,519,144	12,011,785	4,336,526	63,054,004	33,631,630	17,636,508	190,840,773	90,453,951	53,247,856
Non-Ferrous Minerals and their Products.....	2,305,087	315,407	1,202,655	9,653,348	1,430,273	5,373,067	33,172,318	4,529,309	17,919,947
Chemicals and Allied Products.....	2,776,873	829,640	1,111,616	10,841,923	2,892,309	4,527,645	27,218,926	6,718,225	10,469,687
Miscellaneous Commodities.....	1,801,426	958,362	642,677	6,677,375	3,010,901	2,486,544	18,215,835	6,031,983	8,235,312
Totals, 1940.....	83,565,008	37,498,504	29,735,513	327,463,482	147,154,710	109,025,136	1,035,154,313	383,892,318	398,797,230
1939.....	50,311,424	16,956,362	20,884,214	247,235,273	91,361,634	90,619,953	870,711,736	323,607,920	283,562,185
1938.....	50,859,873	18,761,846	17,986,827	254,107,454	107,442,399	77,518,957	9,8,929,426	406,100,230	324,694,563
<i>Exports (Foreign Produce)</i>									
Totals, 1940.....	1,127,670	36,885	1,025,900	3,862,244	111,201	3,524,700	11,070,712	668,264	10,465,742
1939.....	675,429	579,637	579,637	2,887,141	230,229	2,450,509	10,403,117	1,498,142	7,909,564
1938.....	653,448	56,349	547,870	3,584,240	347,175	2,837,682	13,842,447	1,363,499	11,208,663
<i>Excess of Imports (i) or all Exports (e)</i>									
Totals, 1940.....	(i) 1,286,841	(e) 24,167,175	(i) 27,775,824	(e) 26,465,613	(e) 102,904,123	(i) 97,558,591	(e) 145,622,487	(e) 258,329,467	(i) 175,010,662
1939.....	(i) 9,078,506	(e) 10,344,671	(i) 6,919,121	(e) 45,710,305	(e) 59,453,723	(i) 29,492,637	(e) 189,873,890	(e) 212,013,814	(i) 118,011,031
1938.....	(e) 2,617,903	(i) 9,631,438	(i) 12,842,312	(e) 41,069,194	(e) 69,571,823	(i) 57,454,207	(e) 191,692,599	(e) 265,415,934	(i) 146,052,523

WARTIME EXPORT TRADE OF THE UNITED STATES

D. S. COLE, CANADIAN TRADE COMMISSIONER

New York, May 27, 1940.—United States export trade for the period from September, 1939, to the end of February, 1940, reflects certain conditions arising from the outbreak of war in Europe. Countries that formerly purchased their supplies in Europe are now turning to the United States for their requirements. Certain European markets have been lost, while several European countries have switched their purchases in the United States to commodities required for war purposes. In addition the United States Neutrality Act has forced the belligerents to buy on a cash and carry basis and at the same time has severely affected United States shipping to the war area.

TOTAL EXPORT TRADE

According to a recent report released by the United States Department of Commerce, total exports of United States merchandise during the first six months of the war were valued at \$1,949,000,000, as compared with \$1,460,000,000 in the corresponding period of 1938-39, a gain of 33·5 per cent. The general rise in commodity prices accounted for approximately 20 per cent of this increase.

The following table shows the value of United States exports to principal countries for the 1939-40 period as compared with the like period of 1938-39.

United States Exports by Principal Countries

	Sept., 1939, to Feb., 1940	Sept., 1938 to Feb., 1939	Inc. or Dec. Per Cent
	Values in Millions of Dollars		
Canada	278.9	189.8	+ 46.6
Europe	825.1	649.3	+ 27.1
United Kingdom	316.3	273.7	+ 15.5
France	149.9	69.1	+116.7
Germany (Austria, Czecho-Slovakia and Poland)	72.2	0.7	— 99.1
Italy	43.1	28.0	+ 54.2
Russia	42.8	25.6	+ 66.9
Belgium	34.7	35.4	— 1.9
Netherlands	61.8	44.8	+ 37.9
South America	215.0	136.5	+ 57.5
Argentina	51.7	33.6	+ 54.0
Brazil	54.6	32.0	+ 70.4
Chile	18.8	11.1	+ 69.1
Colombia	28.1	22.2	+ 26.4
Venezuela	36.9	23.0	+ 60.1
Asia	338.0	254.3	+ 32.9
Japan	138.7	122.0	+ 13.7
China	54.4	29.8	+ 82.4
Australia	41.7	29.4	+ 42.0
Union of South Africa	36.9	35.0	+ 5.3

CANADA

The value of United States exports to Canada during the first six months of the war totalled \$278,900,000 as compared with \$189,800,000 in the 1938-39 period, a gain of \$89,100,000 or 46·6 per cent. This increase generally applies to a wide range of commodities, although certain exports have necessarily contributed to the higher export totals, principally iron and steel products, chemicals, and machinery.

UNITED KINGDOM AND FRANCE

Exports to the United Kingdom and France were valued at \$316,300,000 and \$149,900,000 respectively, as compared with \$273,700,000 and \$69,100,000 in the like period of 1938-39, gains of 15·5 per cent and 116·7 per cent respectively.

These exports accounted for 24 per cent of total United States exports for the six-month period.

Exports to France, which included some shipments to British account, were more than twice as large in value as in the corresponding period of the preceding year. Heavier shipments of such commodities as raw cotton, aircraft, metal-working machinery, non-ferrous metals, iron and steel, and lubricants have been chiefly responsible for the increases to these countries.

In order to conserve exchange for their specific requirements under war conditions, the United Kingdom and France have placed restrictions on purchases of certain commodities which they normally obtain in large quantities from the United States. In most cases they diverted these purchases to their colonial areas or to countries where they have favourable exchange balances. As a result the United States exports of such commodities as tobacco, grain, fruit, and lumber have declined since the outbreak of the war.

The United Kingdom and France have been the principal purchasers of aircraft, exports of which were valued at \$91,000,000 in the six months ending February, 1940, as compared with \$31,000,000 in the similar period of 1938-39.

These two countries also purchased large quantities of raw cotton from the United States during the six-month period, exports to the United Kingdom totalling 1,500,000 bales (\$78,826,000) and to France 624,000 bales (\$35,598,000).

GERMANY

Exports to Germany, including Austria, Czecho-Slovakia and Poland, practically ceased after the outbreak of the war, and for the September-February period were valued at only \$700,000 as compared with \$72,000,000 in the corresponding period of 1938-39, a decline of 99.1 per cent. Despite the fact that the interchange of goods between the United States and Germany has been declining over a long period of years, the war has resulted in the loss of a large market for the United States.

SOUTH AMERICA

As a result of the war many of the South American countries have turned to the United States for products they previously imported from Europe. Consequently United States exports to these countries have shown increases ranging from 26.4 per cent to 60.1 per cent for the six-month period of 1939-40. The increased exports to South American countries have principally been of automobiles, coal, machinery, foodstuffs, textiles, and chemicals.

ASIA

Exports to the continent of Asia totalled \$338,000,000 in value for the six months ended February, 1940, and were 31.9 per cent above the total of \$254,300,000 for the like period of 1938-39. The increase in shipments to China, British India, and the Netherlands East Indies has been an important factor in the total rise for this continent. Although Japan is the most important market in Asia, the increase in exports for the six-month period was only 14 per cent above the value of a year ago. The war between Japan and China has resulted in the trade with these countries being principally confined to commodities essential for war; the five most important exports have been raw cotton, iron and steel, petroleum, copper, and metal-working machinery.

PRINCIPAL COMMODITIES EXPORTED

The following table shows the value of United States exports by commodity groups and principal commodities for the period September, 1939, to February, 1940, as compared with the like period of 1938-39:—

United States Exports by Principal Groups and Commodities

	Sept., 1939, to Feb., 1940	Sept., 1938 to Feb., 1939	Inc. or Dec. Per Cent
Values in Millions of Dollars			
Total	1,949.3	1,460.3	+ 33.5
Animal and animal products:			
Edible	45.8	37.8	+ 21.1
Meats and lards	30.2	24.6	+ 22.9
Inedible	26.1	21.5	+ 21.8
Vegetable food products and beverages	126.2	142.1	— 11.2
Corn	16.2	18.6	— 13.1
Wheat	6.1	22.0	— 72.1
Wheat flour	12.4	10.7	+ 16.3
Canned vegetables	3.5	1.9	+ 86.8
Vegetable products, inedible	100.9	142.5	— 29.2
Leaf tobacco	28.9	97.0	— 70.2
Textiles and manufactures	334.1	164.7	+ 102.9
Raw cotton	257.9	115.6	+ 123.2
Wood and paper	58.5	45.8	+ 27.7
Sawmill products	18.1	18.3	— 0.8
Non-metallic minerals	269.6	224.3	+ 20.2
Coal	37.7	24.7	+ 52.6
Petroleum and products	195.7	175.4	+ 11.6
Lubricating oil	44.0	23.6	+ 86.9
Metals and manufactures	332.2	174.5	+ 90.3
Iron and steel products	175.6	86.1	+ 103.9
Ferro-alloys	14.8	7.5	+ 95.5
Aluminium	15.3	3.9	+ 295.5
Copper, refined	59.0	37.0	+ 59.4
Machinery and vehicles	495.8	390.0	+ 27.1
Machinery	279.4	226.1	+ 23.6
Automobiles, etc.	123.6	132.8	— 6.9
Aircraft and parts, etc.	92.8	31.1	+ 198.1
Chemicals and related products	106.8	65.8	+ 62.4
Industrial chemicals and specialties	49.9	27.4	+ 82.2
Miscellaneous	53.4	51.5	+ 3.7

As will be noted from the above table, the commodities showing the greatest increases in exports are those which are particularly required by the various countries that are involved in war and include metals and manufactures, machinery, aircraft, industrial chemicals, and raw cotton.

MARKET FOR GRANITE IN THE WESTERN UNITED STATES

B. C. BUTLER, CANADIAN TRADE COMMISSIONER

(A report on the market for Canadian granite in the eastern United States appeared in *Commercial Intelligence Journal*, No. 1882; February 24, 1940. Ed.)

Los Angeles, May 20, 1940.—Total imports of granite into the United States in 1938, the latest year for which complete figures are available, were valued at \$249,573, of which \$49,330 (representing 30,523 cubic feet) was in the form of unmanufactured granite and \$200,243 or 80 per cent (representing 40,891 cubic feet) was granite, hewn, dressed, pointed, pitched, lined, polished or in some way processed. Of these total imports, Finland supplied 50 per cent of the unmanufactured and 99 per cent of the processed granite; Sweden 40 per cent and 1 per cent, respectively; Norway 0.23 per cent and nil, respectively. Canada was the source of supply for 2,919 cubic feet of unmanufactured granite (under 10 per cent of the total) valued at \$3,482. There were no imports of processed granite from Canada.

Less than 7 per cent of the total imports into the United States in 1938 entered through the west coast ports of Washington, Oregon and California. The value of foreign imports into these ports was approximately \$17,000, broken down as follows: ports in Washington, \$5,591; Oregon, \$6,809; San Francisco, \$4,104; Los Angeles, \$485, and San Diego, nil.

One large wholesaler estimates that the total business in the state of California for all kinds of building and monumental stone including granite, is worth about \$1,000,000 annually. The quantity represented by this figure is believed to be about five times the combined volume of Oregon and Washington, and the inland Western States are considered to be even smaller markets.

DOMESTIC SUPPLIES

The Western States have a plentiful supply of grey granite. Black granite of excellent quality is quarried in Southern California within 125 miles of Los Angeles. This black granite is considered to be equal, especially for monumental work, to the best Scandinavian qualities, and it enjoys a sale all over the United States and in Western Canada. Distribution to the East is effected through a large quarrying and manufacturing wholesaler in Minnesota.

The State of Colorado possesses large quantities of coloured granites, red in particular, but they lack uniformity of colour. For this reason, the United States' west coast requirements of granite of red, mahogany, rainbow, and similar colours are supplied mainly from Minnesota and the Dakotas. Other special qualities and colours come from Vermont and North Carolina.

LOCAL TRADE

The trade, on the west coast both in structural and monumental granite, is highly competitive, and particularly so in Southern California. The latest (1937) census of manufacturers shows 49 establishments in California engaged in the cutting, shaping, finishing, etc., of marble, granite, slate, and other building and monumental stones; 14 in Washington and 13 in Oregon. Many of these establishments are on little more than a retail scale. There are really only three recognized wholesale establishments in Los Angeles, about the same number in San Francisco, and none of any importance in Washington and Oregon. A few of these wholesalers operate quarries and finishing plants.

The quarry operators and wholesalers sell granite in rough blocks of five to fifteen tons each, but more often in sawn slabs, finished one side, in sizes 10 feet by 12 feet or larger and thicknesses from 4 to 12 inches. Prices are about \$3 per cubic foot in random blocks at the quarries for the best qualities of coloured and black, and about \$1 or lower for greys and cheaper colours. If blocks are quarried to any special dimensions, the price runs from about \$3.50 per cubic foot for the best down to \$1.50 for greys. As a basis for calculating west coast wholesale values, the freight from Minnesota to Los Angeles on sawn slabs, finished one side, is 86 cents per hundredweight, minimum 50,000 pounds; and on rough stock, 74 cents per hundredweight, minimum 60,000 pounds. The l.c.l. rate both for finished and rough is \$3.30 per hundredweight.

The duty on granite suitable for use as monumental, paving or building stone, cut, polished or otherwise manufactured, is 30 per cent ad valorem; for unmanufactured, it is 12½ cents per cubic foot.

OPPORTUNITIES FOR CANADIAN GRANITE

High freight costs preclude movements of granite from the Eastern United States to the Pacific Coast, except in the case of special qualities. For the same reason, there would be no interest in ordinary qualities from Canada. However, there would be an interest in special grades and colours, such as emerald pearl, Balmoral red and greenish shades, if it is possible to work out satisfactory shipping arrangements that will minimize transportation charges. The emerald pearl variety is of special interest, as Sweden has been the only source of supply in the past.

The buyers, architects in particular, are not unduly conservative, but they require some assurance that the stone offered has been proved by experience elsewhere to be satisfactory for the purposes for which it is recommended. The west coast climate does not especially deteriorate granites, except in Southern California, where the sun has a tendency to fade certain colours.

Two producers of black granite, with offices in Los Angeles, have expressed an interest in offers from Canada with the idea of developing some form of reciprocal trade. They would be prepared to represent Canadian producers for the United States' west coast, if the same, or other Canadian firms, would act as their agents in Eastern Canada. Canadian producers and exporters of exceptional qualities and colours of granite are invited to communicate with the Canadian Trade Commissioner, 510 West Sixth Street, Los Angeles, supplying price information and full particulars, especially with respect to shipping.

ECONOMIC CONDITIONS IN SWITZERLAND, 1939

J. A. LANGLEY, CANADIAN COMMERCIAL ATTACHÉ

(One Swiss franc equals approximately Can.\$0.25 at the current rate of exchange; prior to the outbreak of war it was about Can.\$0.23. One metric ton equals 2,205 pounds.)

Rotterdam, April 8, 1940.—During the first eight months of 1939 a continuous improvement in economic conditions in Switzerland was noticeable. During the summer months the position of the Swiss industries was very satisfactory, in some branches even excellent. To a certain extent this revival was a result of steps taken by the Government to provide employment, while the national defence measures were also partly responsible. A further improvement in the country's export industries resulted from general expansion in trade. The number of unemployed dropped to a practically normal level. Up to the end of August Swiss foreign shipments showed an upward tendency, and during the latter month they reached the highest level for many years.

TRADE AND INDUSTRY

For the period January-August exports were valued at 908.8 million francs as against 816.6 million francs in the corresponding months of the preceding year. The value of imports rose from 1,035.5 million francs in the first eight months of 1938 to 1,167.9 million francs in the same period of the year under review. Whereas the value of shipments abroad dropped to 55.2 million francs during the first month of the war (September), it rose gradually during the subsequent months, and in December totalled 120 million francs, which is about normal. Imports, which had dropped in value to 98.4 million francs in September, reached their highest level in November at 227.5 million francs.

Protected by a vigilant army, Switzerland continues to exert all her economic strength. At the end of the year the chemical and engineering industries, also the manufacturers of instruments and apparatus, still had sufficient orders on hand. The watch-making industry was affected seriously by the outbreak of hostilities. Productive capacity has remained normal, however, and a considerable increase in the exports of certain articles, particularly chronographs, has been recorded of late.

FINANCIAL CONDITIONS

Financial conditions in Switzerland also are considered to be normal and there is no reason for apprehension. The exchange position of the Swiss franc has not been dangerous. The liquid resources of the banks are sufficient to meet the requirements of trade and industry. The import balance of capital

transactions during the fourth quarter of 1939 was 347 million francs as against 73.5 million francs during the last three months of 1938. The decrease in the reserve funds of the Swiss National Bank in the same period amounted to only 84 million francs, so that instead of a flight of capital there was a noticeable import of funds.

Despite the measures taken by the Government to keep the prices of all essential commodities as low as possible, the general level of the cost of living figures has gone up, and it is expected that a further rise will be unavoidable.

FUTURE PROSPECTS

It is impossible to make any definite statements as regards future conditions. Switzerland has no seaports, and both her imports from and exports to foreign markets other than Germany, France or Italy must be made via these countries. In normal times a considerable part of shipments to and from Switzerland is usually made via the ports of Rotterdam and Antwerp, whence the merchandise is transported via the Rhine. In addition, there is a certain amount of goods traffic via French, German and Italian ports. Since the outbreak of war a large percentage of the commodities to and from Switzerland have reached their destination via the port of Genoa. In many cases this means that higher freight rates must be paid, but it is generally believed that this obstacle is largely offset by the fact that the goods need not travel through belligerent countries.

For a state such as Switzerland it is of vital importance to continue to export, even under the most difficult circumstances. The country itself has to import large supplies of foodstuffs and raw materials, and for this reason the visible trade balance has always been unfavourable. Prior to the war the extensive tourist traffic was a considerable source of revenue, but under present circumstances this invisible export is seriously affected.

OFFICIAL CONTROL OF IMPORTS AND EXPORTS

Based on an order of the Swiss Federal Council, effective September 25, 1939, the importation and exportation of merchandise, also the use of imported commodities, are supervised by the State. The Department of Public Economy may, if necessary, prohibit the importation or exportation of goods or make such transactions subject to permits, so far as the commodities designated are not already covered by the existing quota restrictions. With the exception of some articles, direct or indirect exportation from Switzerland will now be subject to special permission. The Department of Public Economy may charge organizations or bodies designated by them with the granting of import and export permits. These latter are only granted to persons and firms domiciled in Switzerland who are actively engaged in dealing in the products in question and have regularly imported or exported them. These persons or firms must put up a bond to ensure that they will comply with the conditions attached to the granting of permits.

The quantities which may be imported or exported by each applicant are based on the quantities brought in or shipped abroad by him during certain previous years. The permit is not transferable. Generally, import permits are valid for three months, while export permits have a validity of one month but may be extended at the request of the applicant, provided there is a good reason for doing so. The exportation of a number of products which are not considered as contraband is free.

From the foregoing it is apparent that the legislation in this connection is very rigid. It is entirely in the hands of an autonomic Swiss organization dependent on the State. It is, however, imperative that the foreign trade of the country be maintained as far as possible, and in this way the Government has guaranteed to the belligerents that perfect supervision will be exercised.

GOVERNMENT FINANCE

The various measures taken by the Swiss Government to provide adequate defence for the country place extremely heavy burdens on the Treasury. In December the cost of mobilization in Switzerland was estimated at approximately 5 million francs per day. In order to secure the necessary funds, it was decided to levy the following new taxes:—

1. A capital tax of from $1\frac{1}{2}$ to 3 per cent, which is expected to yield 500 million francs. The levy will be calculated in such a way that it will be paid from the interest and not from the capital itself;

2. An increase in the existing "crisis tax," which will be changed into a defence tax; it is estimated that this will yield 110 million francs;

3. A turnover or sales tax of approximately $2\frac{1}{2}$ per cent, which is expected to yield some 200 million francs;

4. An amount of 350 million francs of the devaluation profit made some time ago by the Swiss National Bank will be used for covering part of the extraordinary military expenses.

The total revenue from import duties in 1939 was 305·2 million francs as against 267·2 million francs in the preceding year. This increase is chiefly due, however, to the laying in of large stocks of essential materials.

The financial position of the Swiss banks remained satisfactory throughout the year.

COST OF LIVING

According to figures supplied by the Federal Department of Industry, Trade and Labour, the total cost of living index figure stood at 142 at the end of December, 1939, as against 141·7 on November 30 and 136·9 at the close of 1938 (basis, 1914=100). As compared with August, 1939, there was an increase of $3\frac{1}{2}$ per cent.

The index figure for foodstuffs on December 31, 1939 was 138·3 (137·9 on the same date of 1938); for fuel and lighting the figure was 118·3 (116); for clothing, 123 (121); and for rents, 173 (174).

UNEMPLOYMENT

December, 1939, was the first month in which there was an increase in the number of persons without work in Switzerland. The total number of persons completely out of work at the end of November amounted to only 21,110, but increased to 27,298 on December 31. At the close of December, 1938, the number of unemployed was approximately 28,000 greater than in the preceding month. Compared with December, 1938, when 83,976 persons were entirely out of work, there was a decrease in 1939 of 56,678 or $67\frac{1}{2}$ per cent. In mid-December the Swiss Government ordered that all unemployed place their services at the disposal of the military authorities for defence of the country, but a start was only made in the beginning of 1940, and therefore this measure had no bearing on the December unemployment figure.

AGRICULTURE

Swiss crops were generally unfavourably affected by the unsatisfactory weather conditions which prevailed during a considerable part of 1939. Cereal crops were approximately 25 per cent below those of 1938. Originally the potato crop prospects were good, and it was estimated that the domestic requirements could be covered but, owing to heavy precipitation, the quality was insufficient, and imports of both table and seed potatoes were required. The fruit and wine crops, which in 1938 were damaged by the frost, suffered from excessive rainfall. The prevalence of foot and mouth diseases was a considerable

handicap to the cattle breeders. Early snow and difficulties in connection with the mobilization of the Swiss army caused an important decrease in the fresh milk production. Cheese exports, which were not unsatisfactory during the first few months of the year, were brought to a complete standstill by the outbreak of hostilities. Subsequently shipments abroad have been made again. Owing to transportation difficulties, high freight rates and insurance premiums, prospects for this important branch of Swiss economy are extremely uncertain.

Following mobilization there has been a considerable lack of skilled labour. On the other hand, it is necessary to increase the production as much as possible in the interest of maintaining the country's food supplies. A rise in the cost of production of Swiss agricultural products will be unavoidable, and this will in turn increase the selling prices of the various commodities.

TOURIST TRAFFIC

Owing to conditions in Europe and the subsequent outbreak of the war, together with poor weather conditions, the hotel industry was very unfavourably affected. Despite the unsatisfactory tourist traffic, the receipts of the Swiss Federal Railways were higher than in 1938. The total amount received for carrying passengers was 132·7 million francs as against 131·9 million francs during the preceding twelve months. The figures for freight traffic were 213·4 and 175·7 million francs respectively.

INDUSTRY

Switzerland is a highly industrialized country with a great variety of products. A brief outline of the conditions prevailing in the principal branches in 1939 is appended. Owing to the outbreak of the war it is difficult to make an exact comparison between the year under review and the preceding twelve months.

SILK

The year under review showed definite signs of improvement in the silk industry. Up to the outbreak of war, exports were valued at 13·1 million francs as against 11 million francs during the corresponding period of 1938. From September, however, foreign shipments declined, and the total value of exports in 1939 was slightly below that of the preceding twelve months, the respective figures being 30 and 30·7 million francs.

The position of the silk ribbon industry was favourable, especially during the first eight months of the year but, owing to the war, total foreign shipments showed a slight drop, exports being valued at 5·6 million francs as compared with 5·8 million francs in 1938.

COTTON

In the early part of the year the situation in this branch was not very good, owing to low prices and high cost of production. Subsequently an improvement was noticeable, and when hostilities began there was such a tremendous demand for cotton goods that it was impossible to meet it, particularly because there was a lack of skilled labour following the mobilization. Exports showed a satisfactory development, and despite the war the value of cotton fabrics sent abroad remained at approximately the same level, viz. 58·5 million francs during the year under review as against 58·9 million francs in 1938.

EMBROIDERIES

The improvement in 1938 continued until the outbreak of the war, when this favourable trend came to a standstill. Import restrictions imposed by England and France and other difficulties in connection with the war reduced the

operations in this industry to 50 per cent of capacity. Subsequently there was a slight improvement. Exports of embroideries were valued at 28·9 million francs in 1939 as compared with 26·1 million francs in the previous twelve months.

FOOTWEAR

The shoe industry, which showed a considerable revival in the early part of the year, was greatly influenced by mobilization, which resulted in a shortage of skilled workers. Production decreased sharply. During the period September-December the factories received a steadily growing number of orders but exports declined. The total value of foreign shipments of footwear fell from 19·3 million francs in 1938 to 17·2 million francs.

ENGINEERING

Activity in the engineering industry was very great throughout the year in connection with supplies of war materials, although exports were handicapped by price cutting as a consequence of international economic conditions. Machines sent abroad in 1939 had a total value of 200·1 million francs (205·9 million francs in 1938), and that of instruments and apparatus was 69·1 (57·0) million francs.

WATCH-MAKING

Generally the position of this branch of industry was not very satisfactory, which must be attributed to the unsettled international situation. Total exports of clocks, watches and movements in 1939 had a value of 195·7 million francs as against 241·3 million francs during the previous year.

CHEMICAL AND PHARMACEUTICAL PRODUCTS

The favourable development of the chemical industry which was noticeable during the latter half of 1938 continued during the period January-June of the year under review. In the last few months prior to the war, there was a considerable demand. As compared with 1938 figures, exports of aniline dyes increased in value from 83·0 to 106·4 million francs; chemicals for industrial use, from 51·4 to 71·4 million francs; and pharmaceutical products and cosmetics, from 63·6 to 75·0 million francs.

CONDENSED MILK AND CHOCOLATE

These branches, which progressed satisfactorily up to September, were greatly affected by the hostilities. Foreign sales of condensed milk were valued at 5·4 million francs, or approximately the same as in 1938, while those of chocolate dropped from 1·9 to 1·2 million francs.

FOREIGN TRADE

Compared with the preceding twelve months, the total value of Swiss foreign trade showed an increase in 1939, which is entirely attributable to increased imports. These aggregated 1,889·4 million francs in value as against 1,606·9 million francs in 1938, a rise of 282·5 million francs or approximately 17·6 per cent. Exports, on the other hand, dropped from 1,316·6 million francs in 1938 to 1,297·6 million francs. This drop of 19 million francs is the result of a serious reduction in foreign shipments after the outbreak of war. During the first eight months of 1939 the values of both imports and exports were greater than for the corresponding period of the preceding year.

The appended table shows the development of Switzerland's foreign trade balance during the past three years.

													Percentage of Imports Covered by Exports			
Imports and Exports in Millions of Francs																
Imports Values in Millions of Francs													Import Balance of Francs			
1937	1,807.2	1,286.1	521.1	71.2
1938	1,606.9	1,316.6	290.3	81.9
1939	1,889.4	1,297.6	591.8	68.7

Comparative figures for the September-December periods of 1938 and 1939 are as follows:

	Imports Values in	Exports Millions of	Import Balance of France	Percentage of Imports Covered by Exports
1938	571.4	497.9	73.5	87.1
1939	721.5	388.9	332.6	53.9

From the foregoing figures it will be noted that the import balance in 1939 was more than double that of 1938.

IMPORT TRADE

The increase in Swiss imports from 7,379,000 metric tons (Fr.s.1,606,902,516) in 1938 to 8,659,121 metric tons (Fr.s. 1,889,358,796) in 1939 is due not only to greater requirements but also to the laying in of large stocks. The greatest increase was in the arrivals of essential foodstuffs and raw materials, although purchases of various manufactured products also advanced.

Particulars of Switzerland's main imports during the last two years are listed in the following table:—

	1938		1939	
	Metric Tons	Million Francs	Metric Tons	Million Francs
Foodstuffs—				
Wheat	458,770	82.3	500,080	73.0
Fresh fruits	40,280	18.7	100,210	26.2
Fresh vegetables	52,650	19.2	54,730	18.1
Raw coffee	17,310	14.5	22,160	19.0
Sugar	126,200	20.7	164,440	40.3
Edible oils	11,580	7.7	12,860	8.3
Eggs	14,130	19.2	13,160	17.2
	1,000 Gals.		1,000 Gals.	
Wine	2,102	32.0	2,184	34.7
	Number		Number	
Slaughter cattle	15,665	2.8	25,045	3.7
	Metric Tons		Metric Tons	
Feeding Stuffs—				
Oats	203,970	29.1	245,940	30.1
Feeding barley	139,560	21.7	156,580	22.6
Maize	104,020	15.7	118,640	16.9
Industrial Raw Materials—				
Raw cotton	28,440	37.2	39,220	45.6
Raw silk	530	11.5	530	15.8
Raw wool	6,990	19.5	9,030	23.0
Raw iron and steel	103,530	16.0	159,590	23.3
Iron for construction and engineering purposes	107,790	27.9	171,920	44.9
Raw copper	19,380	20.1	25,090	27.3
Aluminium earth	53,110	10.8	59,290	11.4
Lumber	141,610	16.6	119,220	16.2
Raw hides and skins	4,460	6.8	4,910	7.4
Sole and upper leathers	1,090	8.1	1,630	14.4
Tar derivatives for the paint industry	13,710	10.4	15,430	14.6
Leaf tobacco	6,910	16.0	7,130	17.5
Brewers' supplies	50,690	17.9	56,430	18.9
Oil seeds	67,960	18.1	75,360	18.7
Cocoa beans	9,200	6.2	12,600	7.6
Manufactured Products—				
Rubber and rubber products	7,330	19.0	8,108	21.8
Clothing	831	22.0	822	21.5
Machines, etc.	22,937	71.4	26,446	77.4
Vehicles	12,607	52.2	12,028	66.5
Instruments and apparatus	1,788	31.0	1,656	30.8

From the foregoing figures it will be noted that values of the imported products did not in all cases show the same trend as quantities. For instance, there were larger arrivals of wheat and fresh vegetables than in 1938, although the values were smaller. The considerable increase in foreign purchases of fresh fruits is attributable to unsatisfactory domestic crops. Whereas the quantity of lumber imported into Switzerland declined by approximately 16 per cent, the value was only about 2½ per cent lower.

EXPORTS

Switzerland's shipments to other countries in 1939 totalled 539,671 metric tons (Fr. 1,297,577,009) as against 611,047 metric tons (Fr. 1,316,572,492) in 1938, a decrease of 11·84 per cent in weight and 1·44 per cent in value. By far the greater part of Switzerland's exports consists of finished products. During the first eight months of the year, shipments abroad showed a general improvement as compared with the corresponding period of 1938. The following table shows the total values of the country's main exports for 1939 and for the preceding twelve months. In order to illustrate the unfavourable effect of the outbreak of hostilities in Europe, the figures covering the period September-December of the past two years are given separately:—

Principal Exports from Switzerland

	Twelve Months		Sept.-Dec.	
	1938	1939	1938	1939
	Values in Millions of Francs			
Textile industry	183.5	175.3	61.8	43.8
Silk fabrics	30.7	30.0	9.8	6.6
Embroideries	26.1	28.9	9.4	8.5
Cotton fabrics	58.9	58.5	17.9	14.9
Cotton yarns	23.6	16.9	8.4	3.7
Artificial silk yarns	20.2	18.1	7.4	5.2
Knitted goods	8.0	8.7	3.4	2.6
Silk ribbons	5.8	5.6	1.9	1.0
Woollen fabrics	3.2	2.8	1.0	0.5
Metal industry	545.1	490.5	213.5	154.7
Clocks and watches	241.3	195.7	93.9	69.9
Watches and movements	206.1	166.5	81.9	60.5
Watch cases	1.9	1.6	0.8	0.5
Watch parts	23.1	20.4	7.7	7.5
Machines	205.9	200.1	75.5	55.4
Instruments and apparatus	57.0	69.1	19.8	23.2
Raw aluminium	40.9	25.6	24.3	6.2
Foodstuffs	55.8	55.3	20.2	17.4
Cheese	48.4	48.7	17.8	15.9
Condensed milk	5.5	5.4	1.5	1.2
Chocolate	1.9	1.2	0.9	0.3
Chemical and pharmaceutical industry	198.0	252.8	81.8	79.7
Aniline dyes and indigo	83.0	106.4	35.6	39.4
Medicines and cosmetics	63.6	75.0	24.1	27.1
Chemicals for industrial uses	51.4	71.4	22.1	13.2
Other industries—				
Hat-making	13.6	16.1	3.7	6.0
Shoes	19.3	17.2	5.3	2.6

From the foregoing figures it will be noted that, as regards the textile group, embroideries and knitted goods were the only products the export value of which was higher than in the preceding year, but this was due to larger shipments during the first eight months.

The considerable decline in the value of foreign shipments in the metal industry was due mainly to smaller exports of watches and parts thereof. For the first time in many years the export value of machines exceeded that of the watchmaking industry.

In the foodstuffs branch the value of cheese was slightly greater than in 1938, but this was partly due to an increase in prices.

The largest increase, however, was in the chemical industry, where for each of the three main groups—aniline dyes, medicines and cosmetics, and chemicals for industrial use a higher value was recorded.

Whereas straw hats to a value of 13·6 million francs were exported by Switzerland in 1938, the value increased to 16·1 million francs in 1939. Larger exports during the last four months of the year accounted for this rise. Exports of shoes were approximately 17 per cent lower than in 1938, while the value dropped by almost 11 per cent.

DISTRIBUTION OF TRADE

Principally as a result of the outbreak of hostilities, there was a number of changes from the preceding year in the countries of supply and destination of exports during 1940. With the exception of Russia and Japan, there were larger imports from all other sources, particularly Belgium, France, and Germany. Considerably larger exports were made to the United States, France, Holland, Great Britain, and Sweden, whereas shipments to Germany, Japan, China, and Italy fell sharply.

The values of Swiss imports from and exports to principal countries in 1939 are shown in the following table:—

Swiss Imports and Exports by Principal Countries

	Million Frances	Imports Per Cent of Total Imports	Inc. or Dec. compared with 1938	Million Frances	Exports Per Cent of Total Exports	Inc. or Dec. compared with 1938
Germany	440.4	23.3	+ 67.3	191.5	14.8	— 14.6
France	275.3	14.6	+ 46.1	140.1	10.8	+ 18.7
Great Britain	109.3	5.8	+ 14.3	164.5	12.7	+ 16.4
United States	132.7	7.0	+ 7.4	129.7	10.0	+ 39.0
Italy	135.2	7.2	+ 18.5	80.7	6.2	— 10.5
Belgium	138.6	7.3	+ 69.7	38.3	3.0	— 3.5
Holland	70.4	3.7	+ 14.9	78.7	6.1	+ 16.8
Argentina	78.3	4.2	+ 19.9	32.8	2.5	— 3.0
Sweden	21.9	1.2	+ 3.4	51.7	4.0	+ 11.1
Hungary	34.2	1.8	+ 8.6	20.6	1.6	+ 5.4
British India	26.3	1.4	+ 3.2	26.2	2.0	+ 2.9
Canada	30.6	1.6	+ 6.5	15.2	1.2	+ 0.5
Egypt	32.5	1.7	+ 7.1	13.2	1.0	— 1.1
Roumania	29.0	1.5	+ 4.0	14.3	1.1	+ 0.3
Japan	11.8	0.6	— 0.2	13.3	1.0	— 19.6
Russia	9.1	0.5	— 19.9	15.8	1.2	+ 5.7
China	9.0	0.5	+ 1.7	12.1	0.9	— 15.4

TRADE WITH CANADA

According to figures supplied by the Federal Bureau of Statistics at Berne, imports from Canada into Switzerland during the year under review weighed 166,223 metric tons (frs.30,577,449), an increase of 41·81 per cent in quantity and 27·08 per cent in value as compared with 1938, when 117,213 metric tons (frs.24,061,515) entered Switzerland from the Dominion. Exports from Switzerland to Canada also showed an increase—from 1,437 metric tons (frs.14,737,827) in 1938 to 1,501 metric tons (frs.15,206,888) in 1939, an advance of 4·45 per cent in weight and 3·18 per cent in value.

The increase in imports from the Dominion was almost entirely accounted for by larger arrivals of cereals, as shown in the following table:—

Imports of Cereals from Canada

	1938		1939	
	M. Tons	1,000 Frs.	M. Tons	1,000 Frs.
Wheat	106,629	18,985	148,808	23,451
Rye	2,944	432	214	30
Oats	2,712	451	6,627	1,015
Barley	1,874	306	6,388	1,108
Other cereals	30	5	30	5
Total cereals	114,189	20,179	162,067	25,609
Total other products	3,024	3,883	4,156	4,968
Grand total	117,213	24,062	166,223	30,577

A detailed report on Canada's trade with Switzerland will be published in a later issue of the *Commercial Intelligence Journal*. Following is a summary of Switzerland's main imports from the Dominion of commodities other than cereals, with comparative figures for the preceding year:—

Principal Imports from Canada into Switzerland

	1938	1939
	Thousands of	Francs
Copper wire	1,313	1,688
Copper in bars, blocks, slabs	755	1,217
Animal hair	96	326
Asbestos and mica, raw	8	253
Rubber tires and tubing	285	218
Hides and skins, raw	171	139
Cutlery	120	133
Aluminum	114	144
Automobiles	32	66
Chemicals for pharmaceutical uses	42	66
Woodpulp, bleached and unbleached	72	64
Spirits (whisky)	35	55
Canned lobster	81	53
Upper leather, boxcalf	29	39
Upper leather, other than boxcalf	44	51
Bladders and casings	46	38
Fish, fresh or frozen (salmon)	34	32
Sensitized paper	25	26

From the foregoing figures it will be noted that as compared with the previous twelve months there were important increases in the value of imports of copper wire, copper, animal hair, asbestos, and mica. As regards the first two products, the increases are probably attributable to larger imports necessitated by Swiss national defence measures.

TRADE PROSPECTS

It is difficult to say to what extent Canada's trade with Switzerland will be affected by the present war. It is imperative for the latter country to continue to maintain her purchases abroad as far as possible and, as long as shipping facilities from the Dominion are available, there is every reason to expect that Canada will continue as a supplier to the Swiss market, although naturally the traffic in certain commodities, particularly those which are of a less essential nature, may be affected.

DISCONTINUANCE OF PUBLICATION OF SWISS FOREIGN TRADE STATISTICS

On February 9, 1940, the Swiss Government announced that, effective January 1, 1940, the publication of foreign trade statistics would be discontinued until further notice.

ITALIAN FUR TRADE

A. B. MUDDIMAN, CANADIAN TRADE COMMISSIONER

Milan, April 3, 1940.—Under the Italian Government's policy of attaining economic self-sufficiency, the outstanding feature of the Italian fur trade is that at least 90 per cent of the fur skins now handled in Italy are of domestic production. These are generally skins of sheep, goats, lambs, rabbits, calves, and horses, with a few silver fox pelts.

So far as importation is concerned, the most noteworthy feature is its dependence on the German fur trade in Leipzig. The scheme contemplated some ten years ago, by which Italy was to import direct from fur-raising countries and do her own tanning and dyeing, has to a great extent been allowed to lapse. German influence in the Italian market has lately become very pronounced.

In connection with a general survey of the Italian fur trade from the point of view of the Canadian exporter, it is important to note that the Italian Ministry of Foreign Exchange will not grant import permits for furs purchased direct from Canada. This is in line with the Italian policy of buying from democratic countries only those goods which are unobtainable elsewhere. Direct shipments will not be resumed until the Italian Government allots Canada a quota. Until the outbreak of war Canadian furs reached Italy indirectly via Germany, France, or England. The chief imports were through Germany, particularly those of silver fox. This was of great advantage to German middlemen, who made handsome profits and were able to control in their own interests the type of silver fox pelt supplied to the Italian market.

Importations of furs into Italy during the current year will be substantially below last year's figures. Of the total import quota for 1940, 75 per cent has been allotted to Germany. Furs are also being exported from Germany via Italy to Portugal and other countries.

ITALIAN IMPORTS

The last complete year for which Italian official statistics of fur imports are available is 1938, in which importations are classified under three headings as shown in the appended tables. It must be borne in mind that the figures given in these tables represent a normal year's trading. Under present conditions, future imports will amount to only about 40 per cent of these totals.

The following tables show the imports, including temporary imports, for 1936, 1937 and 1938 of furs by classifications and according to principal countries of origin, quantities being expressed in quintals of 220 pounds and kilograms of 2.2 pounds and values in thousands of lire (one lira being approximately equivalent to \$0.05 Canadian):—

Imports of Raw Furs, Fresh and Dried

	Quintals			1,000 Lire		
	1936	1937	1938	1936	1937	1938
Total (incl. temp. imports)	1,774	2,190	2,222	11,744	20,076	16,973
France.. . . .	23	46	23	194	820	446
Germany.. . . .	107	246	74	4,379	8,327	5,562
United Kingdom.. . . .	1	133	487	19	3,609	6,894
Switzerland.. . . .	68	36	40	3,698	1,397	677
Hungary.. . . .	300	....	....	188	....	....
Russia.. . . .	11	13	....	27	285	....
United States.. . . .	103	53	7	1,560	859	24
Italian colonies.. . . .	94	1,549	1,280	567	4,228	1,325

Imports of Fine Tanned Furs, Including Tails

	Kilos			1,000 Lire		
	1936	1937	1938	1936	1937	1938
Total (incl. temp. imports)	492	8,041	11,286	596	18,348	23,298
Germany.. . . .	489	6,036	10,185	595	15,407	21,654
United Kingdom.. . . .	....	1,807	795	....	2,705	940
United States.. . . .	....	12	159	....	35	577
Italian colonies.. . . .	....	1	107	....	....	2

Imports of Lower Quality or Coarse Furs

	Kilos			1,000 Lire		
	1936	1937	1938	1936	1937	1938
Total (incl. temp. imports)	14,786	65,232	28,143	7,514	39,129	17,278
Germany.. . . .	10,976	47,668	21,280	6,666	34,655	16,244
United Kingdom.. . . .	74	13,753	3,600	78	4,082	541
Italian colonies.. . . .	....	1,159	2,159	....	67	101

ITALIAN FUR TRADE ORGANIZATION

The organization of the Italian fur trade is based on the State's corporative system. Wholesalers are grouped under the Consorzio Italiano Pellicceria,

Milan; and retailers under the Compelsa or Compagnia Nazionale Commercio Pelli, S. A. Milan. These organizations, which were created in 1938, have control over the distribution of furs inside the country only. Fixing of the quantities to be imported and selection of the countries to which quotas are assigned is a matter for the Ministry of Exchange at Rome.

There are no general fur auction sales in Italy. At present Italian wholesalers are chiefly dependent on their Leipzig connections. The main centre for wholesalers is Milan; next in importance is Genoa, where they are few in number. When Italy, in October, 1935, suspended the general importation of raw furs, she undoubtedly hurt her own newly established fur tanning and dyeing trade. Italian importers had not only to pay higher prices for furs from Leipzig, but some types of skins became luxury articles, for which there was only a small number of possible purchasers.

There are three classes of purchasers in Italy: (1) aristocratic and wealthy; (2) middle and professional; (3) general public. In the past the first class has generally bought abroad, particularly in Paris. The second class represents the bulk of the trade and, as purchasing power is limited, it follows that the greater part of the demand is for medium-quality showy furs, such as that grade of large silver foxes with bushy tails. The third class of purchasers buys only a small quantity of low-grade furs ranging upward from cat skins. As a result of wartime conditions and exchange restrictions, the first class will probably be forced to purchase locally.

POPULARITY OF SILVER FOX

In past years some 50,000 silver fox skins were imported annually into Italy. Of these, 40,000 came in through Germany. The latter were made up of some 30,000 of Swedish and Norwegian origin, 5,000 were raw skins of German origin, and 5,000 dressed Canadian skins. The remaining 10,000 of the total imports of silver foxes came from other countries, such as England and France, while there were some shipments direct from ranches in Sweden and Norway. It is apparent that German middlemen must have made their greatest profits on the foxes from Scandinavian ranches. They so arranged their shipments of Canadian foxes that they were not, according to information received in this office, of the quality that was generally in demand in Italy. This has been more particularly the case since the Abyssinian sanctions of 1935, when German fur dealers obtained control of the Italian market. The Canadian foxes sent via Germany were halves, that is only about 50 per cent silver, while the trend of Italian fashion called for the all-silver fox.

Further, the German middlemen must have made heavy profits in the Italian market aided by the political situation. Fox skins from Germany were extremely costly, as stated above, prices being at least 50 per cent above those quoted in France, and in many cases very much higher. Maintenance of this situation was undoubtedly assisted by the Italian Government's unwillingness to grant import permits for direct shipments of silver foxes from Canada. The Germans never sold their foreign foxes otherwise than dressed, while Canadian shipments have had to be imported through dealers in Germany. Further, Germany has been granted by the Italian Government an annual quota of 2,800 quintals of all types of dressed furs. Thus the Canadian exporter is in a hopeless position in so far as selling direct. Through the indirect method of shipment, however, 5,000 Canadian silver foxes, with an approximate value of 5,000,000 lire, reached this market.

If trading conditions were normal, undoubtedly a far larger total of silver foxes could be sold in Italy. It has been stated that under such conditions there is a market for 50,000 Canadian skins alone. The market for all Canadian ranch furs, including silver foxes, could no doubt be greatly increased if they were imported direct from Canada, since the price would be at least 50 per cent

lower than that quoted by the German suppliers of these furs. The real loser in such a situation has, of course, been the Italian purchaser. A new trade treaty between Canada and Italy would be useful in obtaining a fur quota for Canada, for silver foxes in particular.

The silver fox is a fur of unquestioned popularity in Italy, partly due to the fact that it cannot be imitated. This is not true of the new platina fox, since Leipzig has produced with fair success an artificial platina that will probably eliminate sales of the new fur.

It should be noted that foreign furs coming in by way of Germany, France or England have to be tanned in the country of transshipment in order to be classified by the Italian customs as German, French or English, when in reality they are often of Canadian origin.

About 1,000 silver foxes are ranches annually in the Trentino (Colalbo). Italian production is small, and the pelts are not of high quality.

MINK

The highest quality mink skins are practically unknown in Italy except those brought from Paris in the form of made-up coats. About 50,000 mink pelts are bought in Italy annually. Before the outbreak of war some 10,000 Canadian ranch mink reached Italy each year, also by way of Germany, the prices received by German middlemen being, as in other lines, exceedingly high. The total value of the annual importation of Canadian mink was about 3,500,000 lire. The remainder of the imports was made up of skins imported from Scandinavian and German ranches. Of late few Russian mink have been brought in, those imported having come indirectly via Leipzig. The fact that Italy does not buy the highest quality skins is an appreciable advantage to European mink ranchers, since wild mink at its best is still the highest priced.

It is regrettable that, as in the case of silver foxes from ranches, there are so many second-rate ranch-bred mink skins on the market, as these pelts are certain to ultimately reduce the average value below ranching costs. Again the limited production from small ranches results in considerable purchasing from many sources of supply and much matching of skins by the wholesalers.

The present position of the mink import trade, in so far as Italy is concerned, is similar to that in respect of the silver fox trade. No increase in imports is permitted, but a reduction is probable owing to the insistent demand for national furs. The prices of mink fur will undoubtedly increase if present conditions continue, owing to a lack of supplies. Canada cannot ship mink direct until the Italian Government grants import permits for the Canadian fur. Italian production of ranch mink is not of any value; attempts have been made in the Trentino but without tangible results.

WILD FURS

While ranch-bred silver fox and mink are the chief furs Canada has supplied to Italy, furs from the Canadian wilds are also imported but in reduced quantities. Consequently those ranchers who have recently undertaken the production of marten, blue fox, beaver, etc. have little interest in the Italian market.

About 1,000 Canadian beaver skins were imported into Italy before the war, all from Germany. Musquash was also imported in fair quantities, Germany supplying over 50,000 a year to the Italian market. Since musquash is a characteristic Canadian fur, it may be assumed that the bulk of these were from the Dominion.

Both beaver and musquash are in good demand. On the other hand, otter, fisher, ermine, lynx, and white fox have not been as yet, so far as Canadian skins are concerned, in any appreciable demand. Canadian ermine, indeed, is not favoured because of its yellow tinge. Pure white Russian ermine supplies this luxury trade.

DUTIES

Raw, green and dried furs are imported into Italy duty free. Tanned fine skins pay duty as follows: ermine, marten, sable, and chinchilla, 330 lire per kilo; beaver, stone-marten, kolinsky, lynx, sealskin, otter, pekans, polecat, silver fox, blue fox, petit-gris, 165 lire per kilo.

SUMMARY

Fine furs are in demand among better-class purchasers in Italy. Advertising Canadian furs in this market is unnecessary; they are well known and appreciated. Sales of Canadian skins depend upon the Italian Government's granting import permits for purchases of furs from the Dominion. The selling of trade-marked pelts would undoubtedly, in the opinion of Italian importers, stimulate sales. If an official trade-mark could be permanently affixed to each pelt, the seller would be able to assure the purchaser that the skins were genuinely Canadian. Such a guarantee, particularly in the case of silver fox, would probably strike a heavy blow at the second-rate foreign ranch-bred skins which flood the market, provided, of course, that Canadian shipments are of high standard.

CONDITIONS IN ROUMANIA IN 1939

HENRI TURCOT, CANADIAN TRADE COMMISSIONER

(The exchange value of the leu ranged between \$0·0070 and \$0·0074 Canadian from January to September, 1939, and between \$0·0083 and \$0·0078 from September to December; one quintal equals 220 pounds.)

Cairo, April 20, 1940.—The unsettled international situation, the dislocation of world markets and shipping, the difficulty of securing raw materials, and decreased labour resulting from the necessity of providing for the national defence, had adverse effects on Roumanian economy during 1939; but the influence of these factors was partially offset by a good harvest, and conditions on the whole were satisfactory, with external trade showing progress.

AGRICULTURE

Cereal crops generally were good. According to preliminary estimates issued by the Ministry of Agriculture, the yields of cereals, with the 1938 figures shown within parentheses, were as follows: wheat, 41,900,000 quintals (49,000,000 quintals); maize, 58,800,000 quintals (47,500,000); rye, 4,745,000 quintals (5,100,000); barley, 10,055,000 quintals (12,800,000); and oats, 4,759,000 quintals (6,400,000). Cereal crops were somewhat inferior in quality but slightly superior in quantity as compared with 1938. A downward trend in prices during the first eight months of the year was checked by the advent of war, and the higher prices prevailing during the last months largely counterbalanced the low prices obtaining throughout the first part of the year. Despite the prohibition of exports of barley and oats towards the end of the year, exports of cereals remained at about the same level during the second half of 1939 as in the corresponding period of 1938.

As Roumanian farmers were able to sell at remunerative prices, the premium on wheat was cancelled from September 30.

INDUSTRY

Industrial production registered progress during the first eight months of 1939, but a recession set in after September, due largely to the difficulty of

obtaining raw materials from abroad. For the year as a whole, however, industrial activities were on a par with those of 1938. Roumanian industry was greatly supported by government orders, particularly for armaments. The industries which benefited most from this situation were iron and steel works, and the leather, shoe, cement, and foodstuff industries.

The timber industry suffered from a shortage of labour. Oil extraction, at 6,250,000 tons, showed only a small decline.

EXTERNAL TRADE

In the first four months of 1939 there was a deficit in Roumania's balance of trade, but at the end of the year exports exceeded imports. As compared with 1938, both imports and exports showed increases, and there was a higher surplus in the balance of trade.

According to figures issued by the National Bank of Roumania, the quantity and value of the country's imports and exports in 1939 and 1938 were as follows:—

	Imports		Exports		Trade Balance
	M. Tons	1,000 Lei	M. Tons	1,000 Lei	1,000 Lei
1939	739,039	22,890,474	7,564,146	26,809,349	+3,918,875
1938	820,602	18,767,830	7,409,084	21,532,580	+2,764,750
Inc. or dec.	— 81,563	+ 4,122,644	+ 155,062	+ 5,276,769	+ 1,154,125

Manufactured goods were largely responsible for the increase in the value of imports, and cereals and petroleum products for that in the value of exports.

Imports into Roumania by supplying countries in 1939, with figures for 1938 shown within parentheses, were valued in million lei as follows: Germany, 8,999.9 (6,907.9); United Kingdom, 1,342.4 (1,529.3); Belgium, 533.7 (1,002.6); Bulgaria, 10.0 (9.1); Denmark, 109.0 (128.9); Egypt, 428.0 (664.5); United States, 718.7 (910.6); France, 1,873.6 (1,444.4); Greece, 206.4 (226.6); Holland, 312.7 (337.1); Hungary, 521.9 (672.2); Italy, 2,016.9 (930.3); Yugoslavia, 232.5 (163.6); Palestine, 160.1 (119.6); Poland, 646.5 (181.8); Switzerland, 481.8 (513.1); Czecho-Slovakia, 3,854.4 (2,465.3); Turkey, 197.0 (252.0); other countries, 245.0 (308.9). Germany retained first place and considerably increased in importance as a supplier.

The destination of Roumania's exports and the share of each country in million lei, with the 1938 figures within parentheses, were as follows: Germany, 8,665.0 (5,707.3); United Kingdom, 3,768.1 (2,386.2); Belgium, 743.5 (604.1); Bulgaria, 295.0 (197.5); Denmark, 206.0 (314.7); Egypt, 518.1 (843.4); United States, 274.3 (283.1); France, 915.2 (1,096.3); Greece, 877.3 (1,470.0); Holland, 357.1 (269.8); Hungary, 817.7 (1,106.1); Italy, 3,246.3 (1,340.3); Yugoslavia, 431.9 (316.7); Palestine, 525.2 (626.5); Poland, 112.2 (259.8); Switzerland, 652.6 (540.2); Czecho-Slovakia, 2,908.7 (2,058.6); Turkey, 179.8 (209.4); and other countries, 1,315.4 (1,992.6). Germany was again the largest purchaser of Roumanian goods.

The figures issued by the Dominion Bureau of Statistics give Canada's imports from Roumania at \$30,498 in 1939 and at \$43,675 in 1938, and Canadian exports to that country at \$13,412 in 1939 and \$41,977 in 1938.

PUBLIC FINANCE

In the fiscal year 1938-39, as in the preceding two fiscal years, ordinary revenue exceeded ordinary expenditure, the excess amounting to 2,615,000,000 lei, with ordinary revenue at 32,880,000,000 lei. The increased expenditure occasioned by national defence was covered by an internal loan.

CONDITIONS IN EGYPT IN 1939

HENRI TURCOT, CANADIAN TRADE COMMISSIONER

Cairo, April 15, 1940.—The war has not occasioned any particular distress in Egypt, although it was feared at the outset that the economic situation and trade of the country might be gravely affected. There was in the beginning some dislocation of business, due to contraction of credit, but it was short-lived, and conditions returned to something approaching normal, due largely to the prompt measures taken by the Government to adjust Egypt's economy to the new situation created by the war through exchange control, extension of banking facilities, curtailment of speculation, and other measures.

In 1938, Egypt had a substantial adverse balance of trade, but in 1939 it was again favourable; the war has reduced imports, but exports are steady. There has been a great improvement in the price of cotton, the principal source of revenue of the country, and, although this increase will be more beneficial to traders than to farmers, several additional millions of pounds in revenue will enter the country. The natural protection to be derived from less pronounced competition from abroad is bound to bring about great developments in some branches of the domestic industry and favour the establishment of new industries. Despite heavy commitments towards national defence, public finances are sound, Egypt being in the favoured position of having a reserve fund upon which to draw. Employment is being found for many in special work connected with the defence measures and other wartime activities, the work obtained being often considerably more remunerative than in peace time. The tourist trade is seriously affected, but the usual exodus of Egyptians spending the summer season abroad is not expected to take place. This, it is estimated, should more than counterbalance the adverse effects resulting from the absence of tourists. Briefly, the country seems to have benefited considerably in certain directions.

BUDGET

According to the budget estimates, for the fiscal year ending April 30, 1940-41 revenue is placed at £E.45,180,000 and expenditure at £E.47,180,000. Corresponding figures for the preceding fiscal year are £E.40,595,000 and £E.42,125,000.

The main factor accounting for the increase in this year's budget over that of last year is the inclusion of the budget for the Egyptian state railways, telegraphs and telephones, which since 1933 had been excluded from the general budget. The balance will be met by drawing on the reserve fund, which was estimated at £E.28,213,000 at the end of 1939.

Customs receipts at £E.18,435,000 show a decrease of £E.324,000 as compared with 1939-40.

NEW TAXES

Faced with cost of increased armaments, the Egyptian Government introduced last year new taxes applicable to foreigners and Egyptians alike: income tax, stamp tax, and inheritance tax. While the income tax and the stamp tax draft laws were passed by both Chamber and Senate, the inheritance tax was thrown out by the Senate. (It is to be observed that Egypt is now completely independent with respect to legislation and finance).

INCOME TAX LAW

The Income Tax Law was passed on January 26, 1939, with retroactive effect from September 1, 1938.

Book I of the law deals with income from movable capital, i.e. dividends from securities and the like. The rate of the tax is as follows: for 1938-39, 7 per cent; for 1940, 8 per cent; for 1941, 9 per cent; for 1942 and onward, 10 per cent.

Book II imposes a tax on commercial and industrial profits realized in Egypt, the rate of the tax being the same as in Book I.

Book III concerns the tax on salaries, indemnities, and pensions. It was made applicable from February 1, 1939, as follows:—

(a) For incomes not exceeding £E.120 per annum: the first £E.60 is exempt; the remainder is taxable at 2 per cent.

(b) For incomes exceeding £E.120 per annum: 2 per cent on the first £E.120; 3 per cent on that part between £E.120 and £E.300; 4 per cent on that part between £E.300 and £E.500; 5 per cent on that part between £E.500 and £E.800; 6 per cent on that part between £E.800 and £E.1,200; 7 per cent on that part which exceeds £E.1,200.

No exceptions whatsoever are provided for in the law.

STAMP DUTY LAW

The Stamp Duty Law was promulgated on May 15, 1939, and became operative on the same date. The law consists of general provisions and a series of annexes which define the documents subject to stamp tax and the method of application in each case. It may be said that the law requires stamps on almost every conceivable document used in the daily life of the citizen:

Dimensional Tax.—Certain documents are to be stamped at one of two flat rates according to their size.

Proportional Tax.—Specified documents, relating for the most part to banking, insurance and stock exchange operations, are subject to an ad valorem tax.

Tax on Posters.—All posters and announcements publicly displayed must bear a pro rata tax, according to their size.

Contracts of Transport.—These are subjected to taxes varying with the nature of the contract, the general principle adopted being a flat tax rate according to the class of contract or the cost of transport.

Special Stamps.—Certain documents which do not come under the preceding four headings are rendered liable to a specific tax for each type of document.

The proceeds of the tax on revenue and stamp duties during the period May-October 31 are reported to have been approximately £E.1,070,000, comprising £E.150,000 stamp duties and £E.920,000 tax on revenue.

STOCK EXCHANGE

The stock exchange recovery, which began during the last ten days of October, continued its upward movement throughout November. The following reasons have been suggested as accounting for the rise: the Anglo-Franco-Turkish pact and the Italo-Greek agreement, which increased confidence in the possibility of keeping the Eastern Mediterranean neutral; the rise in cotton prices and the upward movement on the London stock exchange, which created a bullish tendency on Egypt's stock exchange; the repatriation of Egyptian funds, attracted by the comparative security of this country; the high yields from Egyptian securities, about 6 per cent on unified and preference; and, finally, the orders expected from insurance companies operating in Egypt so as to carry out the provisions of the law on insurance companies passed at the end of August.

There was very little activity on the stock exchange during December.

BANK CLEARINGS

Total bank clearings during 1939 amounted to £E.118,577,000, the lowest figure since 1934. Cairo clearings showed a greater recession than those of Alexandria, which in December rose to the unusually high level of £E.9,055,000.

CENTRAL BANK

At the annual general meeting of the National Bank of Egypt, held on March 23, 1939, the Governor announced that negotiations were proceeding with the Government for granting the bank a new charter to make it a Central Bank. The consent of the shareholders was eventually obtained and an agreement was reached between the bank and the Government, but it has not yet been ratified by Parliament. The matter will come up for discussion during the present parliamentary session, and it is anticipated that the agreement will be sanctioned.

The National Bank of Egypt is to a large extent a central bank in fact, but it is not so in form. It is intended to give the Central Bank a more effective control over local financial and commercial markets.

TRADE MARKS LAW

A trade marks law, passed by both Houses of Parliament, was published in the *Journal Officiel* of July 15, 1939. The regulations for its execution appeared in the issue of December 31. The law became effective on April 1, 1940.

The provisions of the law may be summarized as follows:—

Any merchant, manufacturer or industrialist is entitled to a trade mark, and a special register will be kept at the Ministry of Commerce, in which will be entered the particular mark chosen. The ownership of a trade mark cannot be contested if the person who has registered it uses the mark continually for at least five years after the date of registration.

Merchants and manufacturers residing abroad can use a trade mark in Egypt provided their country has a reciprocal agreement with Egypt regarding the use of trade marks.

The following trade marks cannot be registered: those which do not possess a distinctive character, which are immoral in design, which represent public insignias such as State flags or heraldic arms, which include the Red Cross or Red Crescent, which include designs similar to religious emblems, or which imitate too closely other registered marks.

If two persons simultaneously demand to register identical trade marks, or marks almost identical, for any one product, registration will be withheld until one of the parties withdraws his application.

The Registration Office may also exercise its option of modifying or cancelling designs in a trade mark in order to avoid confusion with another mark already registered.

As soon as registration has been effected, the applicant will be given a certificate indicating his ownership of the mark.

A trade mark is valid for a period of ten years, but at the end of that period the owner of the mark may renew his proprietary rights for a further period of ten years.

If any other party demands that these proprietary rights be withdrawn because the owner of the trade mark has not made use of his mark for five consecutive years, and should the courts of law find the complaint well founded, then the trade mark shall be withdrawn.

The withdrawn mark may not, however, be used by another party for an identical product until three years have elapsed after the time of withdrawal.

Heavy punishment for the fraudulent use of trade marks is provided for in the law. Persons found guilty of this offence may be sentenced to prison for two years, and fines may range from £E.10 to £E.300.

It is to implement the Montreux Agreement (1937) that the Egyptian Government enacted its law regarding the protection of trade marks.

FOREIGN TRADE

Total imports into Egypt during 1939 were valued at £E.34,090,716 as against £E.36,934,373 in 1938, a decrease of £E.2,843,657; exports were valued at £E.34,080,913 as compared with £E.29,342,485 in 1938, an advance of £E.4,738,428. The deficit in the balance of trade was reduced from £E.7,591,888 in 1938 to £E.9,803 in 1939.

An examination of the monthly figures for 1939 indicates that between the beginning of January and the end of May a favourable balance of over £E.2,400,000 was built up. During the next three months, however, imports exceeded exports by about £E.3,140,000. The first effect of the war was to cut down imports very sharply, and, by the time the initial difficulties had been over-

come, the increase in imports had been offset by the rise in the volume and value of exports of cotton. For the period September-December the value was £E.2,278,000 above the figure for the previous year's corresponding period. (A detailed report on Egypt's foreign trade will be published in an early issue of the *Commercial Intelligence Journal*).

FOREIGN EXCHANGE CONTROL

The uneasiness in financial circles caused by the war had its repercussions on nearly every branch of business. The banks were particularly unwilling to advance money to traders, and rumours that a moratorium was to be imposed resulted in a minor panic. Confidence was restored, however, by the Government's swift action and its decision to prohibit the purchase of foreign exchange, sterling excluded, except in the case of controlled commercial transactions, urgent personal needs, or contracts entered into prior to September 3. Furthermore, in order to prevent a flight of capital, a law was passed whereby all foreign exchange received in payment for Egyptian products had to return to the country and be deposited with local banks. These measures resulted in an increase in available funds and a lowering of the rate of interest.

It is to be noted that foreign exchange is available for normal commercial transactions.

In respect of payment for Canadian products imported into Egypt, the Exchange Control are willing to authorize the release of Canadian dollars or sterling. Where in the past it has been the custom to pay in United States dollars for such imports, the Exchange Control may consider the release of United States dollars; in practice United States currency is actually granted in the latter case. (Purchases of Canadian dollars are made on the London market at the British Exchange Control official rates, on which are based the rates for Canadian dollars quoted in Egypt by the authorized banks).

The Ministry of Finance Circular No. 11 of 1936 specified that tenders for contracts or supplies could be submitted only in Egyptian currency, or in sterling on the basis of £1 to 97·5 piastres. Recently, however, many foreign contractors in non-sterling countries have insisted, as a result of the present international situation, on presenting their tenders on a United States dollar basis, and, with a view to encouraging the greatest number of bidders to participate in government tenders in order that the Administration should obtain the best possible prices, the Ministry of Finance has issued a circular under date March 19, 1940, authorizing presentation of tenders in dollars, if the contract is in Egyptian pounds or sterling calculated on the basis of the exchange rate in London on the day following the acceptance of the tender, £1 being regarded as equivalent to 97·5 piastres.

WHOLESALE PRICES AND COST OF LIVING

The statistical department of the Ministry of Finance has published a set of index numbers showing price changes since the declaration of war. The indices are calculated from 582 quotations, and the period June-August, 1939, has been adopted as a base. It would appear from these tables that by the end of December wholesale prices had risen by 22 per cent and the cost of living by 8 per cent.

Foodstuffs have not advanced much in price. Thus cereals stand at 97, meat at 105, and sugar at 104. Tea, however, has risen to 114, dairy produce to 117, and oils to 135. Raw materials, on the other hand, have risen very sharply, fuels by 50 per cent, paper by 91 per cent, building materials by 48 per cent, fertilizers by 35 per cent, textiles by 30 per cent, and skins and tanning materials by 30 per cent.

On January 28, 1940, the customs and excise duties on petrol, tea, coffee, sugar, and beer were increased. This increase has led to an immediate rise in prices. Thus the new list of prices published by the Société des Sucreries shows an advance of some 33 per cent over those ruling before the declaration of war.

SHIPPING

During 1939, a total of 2,251 ships with a net tonnage of 5,381,000 entered the port of Alexandria, these totals respectively being 8 per cent and 4 per cent below those for 1938. Great Britain still headed the list in both number of ships and tonnage, followed by Greece, Italy, Egypt, and Germany as regards numbers and by Italy, the United States, France, and Egypt in respect of tonnage. United States arrivals increased during the year, while French and Italian showed decreases.

Receipts of the Suez Canal Co. in 1939 totalled £E.7,992,000, a decline of £E.1,673,000, or 17 per cent from the 1938 figure. This decrease is the result partly of the fall in traffic caused by the war and partly of the reduction in dues which came into operation on December 15, 1938.

AGRICULTURE

COTTON

The 1938-39 Egyptian cotton crop amounted to approximately 8,500,000 cantars (one cantar equals 99·05 pounds), a decrease of nearly 2,750,000 cantars from the preceding season's figure. Arrivals at Alexandria totalled only 7,934,000 cantars as compared with 10,258,000 cantars in 1937-38. Prices were also slightly lower, resulting in a decline to about £E.19,500,000 of roughly £E.5,000,000 in the value of arrivals in comparison with the 1937-38 figure, and of £E.8,500,000 as compared with that for 1936-37. Exports, however, were maintained, showing a falling off of less than 500,000 cantars, while local consumption rose from 511,000 cantars in 1937-38 to 570,000 cantars in 1938-39. As a consequence the statistical position was quite good at the beginning of the present season, stocks standing at 743,000 cantars as against 1,526,000 cantars in 1938.

The present crop is estimated at about 8,682,000 cantars, which is lower than was generally expected. Egypt should greatly benefit from the price situation, cotton accounting for about three-quarters of her exports.

The export tax on raw cotton, which was cancelled on August 12, 1939, is to be revived on August 15, 1940, the tax to be 200 milliemes (one-fifth of £E.1) per 100 kilograms (220 pounds) gross weight.

WHEAT

The Ministry of Agriculture's final estimate, published in August, places the wheat crop at 8,892,000 ardebs (one ardeb is equal to 5·44 bushels). The increase of over 500,000 ardebs over last year's crop was the result mainly of the higher average yield 6·15 ardebs per feddan (1·038 acres). Egypt's annual consumption is about 8,000,000 ardebs.

The customs tariff on wheat and flour was altered on February 27, 1939.

ONIONS

This year's crop of onions is estimated at 2,500,000 sacks, of which it is hoped to export the greater part. Last year's exports totalled 3,200,000 sacks, but the war has meant the loss of several important markets, notably Germany, which last year was the most important purchaser after Great Britain. Another difficulty confronting the trade this year is that of transport, shipping space being almost wholly monopolized by cotton exporters. Arrivals are weighing increasingly on the market, keeping prices at a low level.

The Council of Ministers has approved recently a draft law on the export of agricultural produce. Would-be exporters must henceforth register with the Ministry of Commerce, without whose authorization no export may take place. Control over grade, quality and packing will be exercised. Goods exported without authorization will be treated as contraband.

INDUSTRIES

Some Egyptian industries, owing to difficulty in obtaining raw materials from abroad, have had to curtail or cease operations. There is no doubt, however, that, as a result of the higher prices of imported manufactured goods consequent upon the war, a great impetus will be given some of the industries of the country, especially those making use of domestic raw materials. Three local industries can be singled out as being particularly favourably influenced by present circumstances: the textile, sugar, and soap industries.

The Government continued during the year to foster the establishment and extension of local industry.

CRUDE OIL PRODUCTION

Crude oil production in Egypt has been making such rapid strides that it is almost sufficient to meet the bulk of the country's domestic requirements. Egypt's crude oil output amounted to 250,000 tons in 1938. In 1939, as a result of production from the newly developed Ras Gharib field, it is estimated that the output reached 650,000 tons. Egypt's annual requirements amount in round numbers to approximately 750,000 tons (100,000 tons of gasoline, 320,000 tons of kerosene, and 33,000 tons of various grades of fuel oil.)

If Egypt's economy has been affected by the war, the result is favourable, at least in some respects. Provided the Mediterranean area is not involved in the conflict, progress in various directions should be made by Egypt in 1940.

MEXICAN MARKET FOR DRIED CODFISH

R. T. YOUNG, CANADIAN TRADE COMMISSIONER

(One metric ton equals 1,000 kilograms or 2,204 pounds; one kilogram equals 2.2 pounds.)

Mexico City, May 11, 1940.—When trading conditions were normal, approximately 400 metric tons of dried codfish were imported annually into Mexico, principally from Norway. With the occupation of the greater part of that country by Germany, shipments therefrom have been cut off, and within the past few weeks Mexican importers have approached the office of the Trade Commissioner seeking Canadian sources of supply.

EXTENT OF MARKET

Although the Mexican market is not large, it should prove of interest to Canadian exporters in view of the fact that many markets formerly open to Canada are now closed or likely to become so. The following table shows imports of cod, dried, salted or smoked, for the years 1938 and 1939:—

	1938		1939	
	Kilos	\$	Kilos	\$
Denmark	8,538	8,153	6,283	6,865
United States	5,278	5,871	3,656	4,870
Japan	21	14	6	26
Norway	326,801	314,251	377,431	371,594
Netherlands	8,991	7,525	2,494	2,748
Poland	2,083	2,521	4,807	4,756
Sweden	900	924	.....	.....
Total	352,612	339,259	394,678	390,862

As shown by the foregoing figures, Norway has been the chief supplier of codfish to Mexico, with increased shipments in 1939 as against those in 1938. Denmark, with a much smaller quantity, was next in importance, followed by the United States. Imports credited to the latter country may possibly have been of Canadian origin forwarded through New York, as there are no direct shipping connections between Canadian and Mexican ports.

In view of the more recent developments in Europe, additional sources of supply for Mexico have undoubtedly been eliminated, opening further opportunities for Canada.

TYPES IN DEMAND

The type of codfish favoured in this market is medium dry and well cured. The fish with bones is imported whole, and should be of good size, medium fat, and juicy. These are imported in unlined boxes weighing 45 kilos net, or 53 kilos gross. Care should be taken to ensure that the boxes are well filled, as unnecessarily large boxes increase the weight and hence the amount of the duty. Boned, dried cod cut into rectangular pieces and of a slightly drier quality than that with bones comes in boxes of 18 kilos net or 23 kilos gross. Boxes must be unlined and not too heavy, but strong enough to withstand several rough handlings.

PRICES

Prices during the past season have varied between U.S.\$8 to \$8.75 per box of 45 kilos with bones, and U.S.\$3.25 to \$3.75 per box of 18 kilos without bones, c.i.f. Veracruz or Tampico, sight draft, documents on payment. The duty is 40 centavos per kilo or about $3\frac{1}{4}$ cents Canadian, per pound. Codfish is in demand principally from September to February, the chief consumers being the foreign population and some Mexicans. The market is centred in Mexico City. Business is in the hands of Spanish import houses selling to certain high-class grocers who are also Spanish controlled.

As in the case of all food products imported into Mexico, the Department of Public Health requires that codfish be registered. This may be done by submitting samples through a local representative.

The names of a number of firms in Mexico City who are desirous of establishing connections with exporters in the Dominion may be obtained by interested Canadian firms on application to the Department of Trade and Commerce, Ottawa, or to the office of the Canadian Trade Commissioner in Mexico City.

BUSINESS CONDITIONS IN EL SALVADOR AND HONDURAS, JANUARY TO MARCH

R. T. YOUNG, CANADIAN TRADE COMMISSIONER

El Salvador

Mexico City, April 24, 1940.—There was little, if any, change in general business conditions in El Salvador in the first quarter of this year from those of the last three months of 1939. The local coffee market was dull, showing no improvement over the preceding months. Demand from the United States, the principal purchaser was small; but toward the latter part of February there was an increased demand for unwashed grades from Scandinavian countries. The condition of the coffee market gave rise to much concern, as it tended to slow up business in general. Imports of merchandise, however, continued more or less at December levels. These were somewhat lower than in September and October last, when there was a tendency toward heavy buying following the outbreak of war in Europe. There was no increase in general imports, but the percentage purchased from the United States continued to grow as a consequence of the shutting off of European sources of supply.

Throughout the quarter the general credit situation was easy for current requirements; but under the Liquidation Law, which requires the liquidation of debts by quotas as at March 31, some uneasiness was felt as to whether debtors would be in a position to meet the quota of 9 per cent as compared with 8 per cent at March 31, 1939, and 6 per cent at March 31, 1938.

Collections are reported to have continued at pre-war levels, which were satisfactory; but many new firms, particularly of Italy and the United States, have been exporting to the Republic in place of the former German firms.

There were no abnormal features in the exchange market, the dollar-colon rate remaining steady at 2.5 colones to the dollar, or 9.80 to the pound sterling. Foreign exchange reserves held by the Central Bank at the end of February were U.S.\$2,022,161, gold stocks were valued at colones 13,222,279, and notes in circulation at the same date had increased to 16,357,620 colones as against 15,317,416 colones as at December 31, 1939.

The coffee crop harvested in the western area of the Republic fell somewhat below expectation and is estimated at 850,000 bags (of 60 kilos gross), of which 70 to 75 per cent has been sold. Local exporters are reported to be seeking markets for castor beans, honey, cottonseed and oil, products formerly sold on European markets.

A minor building boom, which began in 1939, is reported to be continuing, principally in the construction of small dwellings, but also in new business premises and the remodelling of old ones. The Government is continuing the road-building program. Several public works projects are planned for the current year by the Central Government and by the municipalities of San Salvador and Santa Anna.

Honduras

Business conditions generally continued unfavourable in Honduras during the quarter and there is little prospect of improvement in the immediate future. The factors mainly responsible for the adverse situation are a shortage of currency in circulation and a scarcity of foreign exchange. In addition the Easter holidays failed to give the expected stimulus to retail trade.

Exports of bananas and coconuts showed a seasonal decline during February. Imports in February were 4,142 metric tons as compared with 11,379 in February, 1939, and 12,910 in January last.

JAPANESE EXPORTS OF TINNED FOODS IN 1939

M. T. STEWART, ASSISTANT TRADE COMMISSIONER

Tokyo, April 15, 1940.—The Japan Canned Foods Association has recently completed a survey covering the calendar year 1939 and its report states that the value of shipments of various kinds of tinned and bottled foods for the year 1939 amounted to nearly 158 million yen. This amount represents an increase of 41 million yen over the value of shipments in the corresponding period of 1938.

The following table shows the value of shipments in 1939 and 1938, and the value and percentage of increase in 1939 over 1938:—

	1939	1938	Increase	
	Thousands of Yen		Per Cent	
Total	157,976	116,636	41,340	35.4
From Japan	132,009	92,819	39,190	42.2
From Kamchatka	22,002	21,003	999	4.7
Canned milk	3,965	2,814	1,151	40.9

NOTE.—Exports of canned milk are classified separately from those of tinned and bottled foods in the Foreign Trade Returns of Japan and, therefore, they are added to the above table for the purpose of making the statement complete. Shipments from Kamchatka are those made direct to England, being the production of aquatic products from Russian waters under the Russo-Japanese Fishery Convention.

Following is a comparative schedule, based on the monthly Foreign Trade Returns, showing the shipments of tinned foods to more important markets (canned milk is not included in these figures but direct shipments to England from Kamchatka are included):—

	1939	1938
	Thousands of Yen	
Total	154,011	113,822
England	62,993	61,835
Yen-bloc countries	37,597	19,573
United States	31,991	12,212
Belgium	3,080	2,337
Australia	2,534	2,464
France	1,732	1,675
Netherlands	1,661	1,072
Hawaii	1,642	1,747
Others	10,781	10,907

In order of importance, the value of shipments, including direct shipments of salmon and crab from Kamchatka, according to the chief items of tinned foods were as follows in 1939, figures being in thousands of yen: salmon, 55,820 (57,924 in 1938); crab, 32,504 (16,786); mandarines, 11,419 (7,164); tuna, 8,860 (4,067); sardines, 7,922 (7,544); pineapples, 4,514 (1,147); milk, 3,965 (2,814); bamboo-shoots, 3,268 (1,122); mackerel, 872 (680); abalone, 518 (301); clam, 59 (25); others, 28,255 (17,062).

SALMON

The total quantity of salmon of all kinds exported in 1939 amounted to 1,664,433 cases as compared with 2,014,537 cases in 1938. The varieties shipped, in order of quantity were as follows: pink salmon, 827,660 cases (992,816 cases in 1938); red salmon, 724,058 cases (864,840 cases); silver salmon, 82,190 cases (123,363 cases); titbits of salmon, 16,297 cases (15,079 cases); salmon, smoked, 8,579 cases (4,893 cases); salmon and bamboo-shoots, 4,712 cases (9,261 cases); king salmon, 811 cases (2,522 cases); salmon seasoned, 102 cases (nil in 1938); salmon and tomato, 24 cases (nil in 1938).

Exports of salmon to leading markets were: England, 948,489 cases (1,353,351 cases in 1938); Belgium, 162,808 cases (90,319 cases); Netherlands, 116,266 cases (55,537 cases); Australia, 86,818 cases (80,369 cases); France, 71,204 cases (100,165 cases); Manchoukuo and Kwantung Province, 43,002 cases (82,085 cases); Union of South Africa, 40,144 cases (23,133 cases); Gold Coast, 22,982 cases (11,475 cases); Philippine Islands, 21,608 cases (6,072 cases); Palestine, 17,920 cases (12,996 cases); Switzerland, 14,454 cases (6,238 cases); China, 10,511 cases (86,150 cases); Hawaiian Islands, 6,976 cases (9,789 cases); and "others," 95,361 cases (96,391 cases).

It will be noted that several countries increased their purchases of Japanese salmon during 1939 as compared with 1938, the two countries making notably increased purchases being Belgium and the Netherlands. Possibly their increased imports of canned salmon may be attributed to the unsettled international situation. Several other small markets showed a large percentage increase in imports, namely, the Union of South Africa, Philippine Islands, Gold Coast and Switzerland.

SARDINES

Exports of canned sardines to principal markets were: Netherlands East Indies, 195,553 cases (212,068 cases in 1938); Philippine Islands, 115,311 cases (155,034 cases); Burma, 95,210 cases (94,338 cases); England, 77,674 cases (60,856 cases); Manchoukuo and Kwantung Leased Territory, 64,423 cases (15,464 cases); Belgium 49,114 cases (46,912 cases); Gold Coast, 40,207 cases (44,609 cases); Straits Settlements, 38,283 cases (48,206 cases); Nigeria, 33,654 cases (54,219 cases); China, 20,948 cases (38,941 cases); British India, 15,818 cases (25,542 cases); Egypt, 15,417 cases (38,543 cases); Netherlands, 14,965

cases (23,454 cases); Australia, 7,036 cases (19,143 cases); United States, 951 cases (2,795 cases); Italy, 160 cases (155 cases); Germany, 126 cases (2,389 cases); and "others," 80,198 cases (113,579 cases). Total exports of canned sardines in 1939 amounted to 865,048 cases as compared with 996,247 cases in 1938.

CRAB

Japanese canned crab found its most important export market in the United States, 413,638 cases being shipped to that country in 1939 as compared with 146,416 cases in 1938. England was the second largest purchaser, taking 133,663 cases in 1939 as compared with 113,904 cases in 1938. Shipments to these two markets alone accounted for about 86 per cent of the total shipments.

MANDARINES

Canned mandarines were exported to England in 1939 to the extent of 659,920 cases as compared with 596,824 cases in 1938. Shipments to China and Manchouko were respectively 294,608 cases and 237,472 cases in 1939 as compared with 175,973 cases and 166,567 cases in 1938. The United States was the fourth best customer, taking 56,275 cases in 1939 (997 cases in 1938). Shipments to all other markets were relatively unimportant.

TUNA FISH

Figures for the shipments of canned tuna fish covering the full calendar year of 1939 are not as yet available, but shipments from January to October amounted to 595,151 cases. Of this quantity the United States imported 262,165 cases; Manchoukuo and Kwantung Leased Territory, 134,641 cases; Canada, 72,645 cases; Belgium, 32,987 cases; China, 13,126 cases; Egypt, 10,604 cases; Syria, 11,825 cases; England, 9,825 cases; Switzerland, 7,779 cases; Philippine Islands, 8,560 cases; Malta, 8,224 cases; and "others," 22,760 cases.

TARIFF CHANGES AND TRADE REGULATIONS.

United Kingdom

IMPORT LICENCES REQUIRED FOR FROZEN FISH

Mr. Frederic Hudd, Chief Canadian Trade Commissioner in the United Kingdom, cables that the Board of Trade as from May 30 revoked the open general licence under which frozen fish was admitted into the United Kingdom from any country without the formality of individual licences for each shipment. Frozen fish despatched before May 30 will not require licences.

The import licensing system had been extended by an order of March 19 to nearly all foodstuffs including frozen fish. The open general licence now revoked was issued at that time. The cablegram explains that the purpose of the authorities in revoking the open general licence for frozen fish is to enable them to regulate trade in the national interest. There will not necessarily be reduction of imports.

Fresh and cured fish have not so far been brought under the import licensing system, while fresh shell fish continue to be admitted under open general licence if consigned to the United Kingdom from a part of the British Empire.

Australia

IMPORTS OF FRENCH ORIGIN EXEMPTED FROM LICENCE

It was announced on May 30 that an understanding had been reached between Australia and France for the mutual removal of wartime restrictions on each other's goods, to be effective pending the negotiation of a formal agreement.

The effect of this arrangement is that France is now regarded by Australia as a "sterling" country for the purpose of import licensing regulations, i.e., French goods are exempt from import licensing requirements when imported into Australia.

The Import Licensing Regulations established by Australia on December 1, 1939, divide all countries into two groups, viz: "sterling" (i.e. the parts of the British Empire whose currencies are on the sterling basis), and "non-sterling" (including all countries outside the British Empire and also Canada, Newfoundland and Hongkong). Goods of "sterling" countries are not required to have licences for importation into Australia, but goods of non-sterling countries are regulated by licence.

In order to qualify for "sterling" treatment in Australia, imports from France classified under "protective" items of the Australian customs tariff must have at least 75 per cent of their value made up of French material and/or labour. Goods under "non-protective" items must have at least 50 per cent of such qualifying content. Goods from France having less than 50 per cent French content will still be treated as of "non-sterling" origin.

"Protective" items of the Australian customs tariff are those under which duties are imposed on imports for the protection of Australian producers of like goods, as distinct from those items under which duties are for revenue purposes only. The "protective" items are officially listed and the British preferential duties levied thereunder are at present subject to reductions to offset the effect of Australian exchange depreciation.

Cyprus

TARIFF INCREASES

The *Cyprus Gazette* of April 10, 1940 (Supplement No. 2) amends the tariff schedule by increasing the British preferential tariff on "motor cars and parts thereof (except tires and tubes)" from 10 per cent to 15 per cent ad valorem, and the general tariff from 25 per cent to 30 per cent ad valorem. The preferential tariff on "perfumery, cosmetics, etc.," is increased from 20 to 25 per cent ad valorem, and the general tariff from 30 to 40 per cent ad valorem. The preferential duty on "spirits in bottles" is increased from 15s. to 18s. per imperial gallon, and the general tariff from £1 10s. to £1 14s. per gallon. The preferential rate on "spirits in barrel" is increased from 18s. to £1 1s. per gallon, and the general tariff from £1 10s. to £1 14s. per gallon.

Mr. Henri Turcot, Canadian Trade Commissioner, Cairo, reports that Cyprus has increased the preferential tariff on wheat from 15s. per ton (2,240 pounds) to £2 5s. per ton, and the general tariff from £1 per ton to £2 10s. per ton, with effect from May 28 (see *Commercial Intelligence Journal* No. 1888: April 6, 1940, page 530).

British preferential tariff rates are applicable to Canada. The Cyprus pound equals the pound sterling in value.

United States

ADDITIONAL INFORMATION ON INVOICES COVERING ARTICLES CONTAINING COPPER

A Treasury Decision issued May 20, 1940, by the United States Commissioner of Customs contains new instructions with respect to invoices covering articles containing copper and which are subject to import excise taxes.

A tax of 4 cents per pound is levied on the copper content in articles enumerated in certain tariff items, comprising mainly: copper ore and concentrates; wire and cable (par. 316); German silver or nickel silver, unmanufactured, and nickel silver sheets, strips, rods and wire (par. 380); copper in rolls, rods or sheets; copper engravers' plates; seamless copper and brass tubes and tubing; brazed copper and brass tubes; brass rods, sheet brass, brass plates.

bars and strips, Muntz or yellow metal sheets, sheathing, bolts, piston rods, and shafting; brass angles and channels; bronze rods and sheets; bronze tubes (par. 381); phosphor and phosphorous copper (par. 387); bells and bell metal, broken (par. 1620); old brass fit only for re-manufacture (par. 1634); unspecified composition metal of which copper is the chief component (par. 1657); copper ore, regulus of, and black or coarse copper and cement copper; old copper for re-manufacture; copper scale, clippings from new copper; copper in plates, bars, ingots or pigs, not specially provided for (par. 1658); copper sulphate or blue vitreol; copper acetate and sub-acetate (par. 1659).

The tax is 3 cents per pound on dutiable articles other than the foregoing in which copper, including alloy, is the component material of chief value.

The tax is 3 per cent ad valorem or $\frac{3}{4}$ cent per pound, whichever is lower, on dutiable articles heretofore unspecified containing 4 per cent or more of copper by weight.

The new Treasury Decision provides that invoices covering dutiable articles and containing 4 per cent or more by weight of copper (including copper in alloy), except articles provided for in paragraphs 316, 380, 381 or 387, Tariff Act of 1930, are required to set forth in addition to all other information required by law and regulation, the percentage of copper content by weight or in the alternative whichever of the following statements is applicable:—

(1) For the purpose of assessment of tax under sec. 3425 of Internal Revenue Code, it is conceded that copper is the component material of chief value in the articles covered by this invoice;

(2) Copper is not the component material of chief value of the articles covered by this invoice but for the purpose of assessment of tax under sec. 3425 of Internal Revenue Code, it is conceded that they contain 4 per cent or more of copper by weight.

In the event that statement (1) or statement (2) above, when made, is applicable to part only of the articles covered by an invoice, the articles to which either statement applies should be specified.

Peru

TARIFF INCREASES

(One Peruvian sol at present equals about 18 cents Canadian; one kilo equals 2.204 pounds.)

Mr. M. J. Vechsler, Canadian Trade Commissioner in Lima, writes that a Peruvian decree, effective May 29, 1940, increases the import duties on certain commodities. Among the products affected are the following:—

	Former Duty	New Duty
	Soles per Kilo	
341 Skins, tanned or semi-tanned, of rabbits or hares, in their natural state or made up of several pieces	20	50
342 Skins of other kinds	40	80
347 Articles and manufactures of leather, not specially mentioned, with or without parts of other materials..	8.50	20
348 Articles and manufactures of rabbit or hare skins	45	80
349 Articles and manufactures of other skins	65	120
355 Portfolios, cigar and cigarette cases, purses, card cases and other articles for similar use, of leather, with or without accessories	20	40
356 The same, with parts of precious metal.. . . .	45	90
785 Wood of cedar and mahogany in logs	0.02	0.03
789 Wood, large and small boards, also framing of common wood, plain, prepared for cases, whether or not poked or planed, including unassembled packing cases . . .	0.02	0.03
790 Plywood panels of common wood, glued or not	0.10	0.15
941 Tires for bicycles, motor cars and lorries	0.60	0.70
1366 Apparatus, transmitting and receiving, for telegraphy, including those for wireless telegraphy and telephony, also pick ups	1.20	1.80
1371 Apparatus, heating, household, such as geysers, heaters, stoves, sadirons, tea kettles, toasters and other similar articles weighing more than 10 kilos, including those for industrial use	0.25	0.30

TARIFF INCREASES—*Concluded*

	Former Duty	New Duty
	Soles per Kilo	
1372 Electric refrigerators and spare parts thereof	0.25	0.38
1372A The same, enamelled	0.29	0.44
1403 Bicycles	Free	0.20
	Soles per Litre	
1451 Whisky, in bottles	4.20	5.04
	Soles per Kilo	
1489 Preserves of meat including pork-butcher's wares, hams, mortadella and bacon, also other kinds of preserves not specially mentioned	0.40	0.48
1496 Sweetmeats, dry pastry, confectionery, chocolates, loose, in tablets or in sticks, fruits or peels, crystallized or sweetened, caramels and non-medicinal pastilles, in common receptacles of tin, glass, wood or cardboard..	1.20	1.80
1497 The same, in fancy boxes	2	3
1516 Biscuits of all kinds	0.60	0.72
1545 Honey of all kinds	0.15	0.23
1555 Cheese, in containers of all kinds	0.40	0.48
1558 Prepared sauces, solid or liquid, having a base of meat extract with other flavouring products, for seasoning	0.40	0.60
2005 Films, photographic, of all kinds, unexposed	1.20	1.80

Duties on automobiles were also increased. Under the former tariff, automobiles weighing not more than 2,000 kilos were dutiable at 0.12 sol per kilo. Above this weight duties were increased 0.01 sol per kilo for every 50 kilos of weight of the automobile. Under the new tariff cars weighing up to 1,350 kilos are dutiable at 0.18 sol per kilo, and from 1,350 to 2,000 kilos the rates are graded between 0.20 and 0.76 sol. Above 2,000 kilos the duty is increased at the rate of 0.07 sol for each 50 kilos or fraction.

Other products affected by the Peruvian tariff increases include cotton thread, blankets, carpets, certain silk tissues, jewellery, watches, aircraft, vessels, perfumery, and cosmetics.

Paraguay**NEW TARIFF ARRANGEMENT WITH CANADA**

An exchange of notes between Canada and Paraguay, signed on May 21, 1940, provides for the extension to Paraguay of the Canadian intermediate tariff in return for most-favoured-nation treatment in tariff matters of Canadian products imported into Paraguay. The Governments of the two countries will also grant each other treatment not less favourable than is granted to any other country in all matters pertaining to the allocation of exchange made available for commercial transactions or the allocation of quotas, either in respect of exchange or of quantitative control of imports. The arrangement comes into force one month after date of signature, and is to remain in force until terminated upon three months' notice by either Government.

The tariff of Paraguay consists of a single column of duties but provision exists for increasing duties by 50 per cent against imports from countries adopting measures considered as prejudicial to Paraguayan commerce.

EXCHANGE CONDITIONS IN BRAZIL**L. S. GLASS, CANADIAN TRADE COMMISSIONER**

Rio de Janeiro, May 25, 1940.—Owing to the curtailment of Brazilian export markets, due to war conditions and the time required to make adjustments to the new conditions, it is possible that Brazil may be faced with a shortage of foreign exchange. Canadian exporters should bear such possibilities in mind and, it is suggested, should maintain shipments on a strictly cash against documents basis, where letter of credit business is not possible. Letter of credit terms are very difficult to arrange in Brazil, except in extraordinary cases, particularly where the goods involved are considered to be of primary importance to Brazil and Brazilian industry.

FOREIGN EXCHANGE QUOTATIONS: WEEK ENDING JUNE 3, 1940

The Foreign Exchange Division of the Bank of Canada has furnished the following statement of the nominal closing quotations for the principal exchanges for the week ending Monday, June 3, 1940, and for the week ending Monday, May 27, 1940, with the official bank rate:—

Country	Unit	Present or Former Gold Parity	Nominal Quotations in Montreal Week ending May 27	Nominal Quotations in Montreal Week ending June 3	Official Bank Rate
Bulgaria.. . . .	Lev	.0072	.....	.....	6
Finland	Markka	.0252	\$.0219	\$.0213	4
France	Franc	.0392	.0200	.0201	2
Great Britain	Pound	4.8666			
	Buying		4.4300	4.4300	2
	Selling		4.4700	4.4700	—
Greece	Drachma	.0130	.0067	.0067	6
Hungary	Pengo	.1749	.3227	.3227	4
	Unofficial		.1951	.1951	—
Italy.....	Lira	.0526	.0559	.0560	4½
Yugoslavia.....	Dinar	.0176	.0249	.0249	5
Portugal.....	Escudo	.0442	.0360	.0363	4-4½
Roumania.....	Leu	.0060	.....	.....	3½
Spain	Peseta	.1930	.1013	.1013	4
Sweden.....	Krona	.2680	.2637	.2641	3
Switzerland	Franc	.1930	.2485	.2484	1½
United States.....	Dollar	1.0000			
	Buying		1.1000	1.1000	1
	Selling		1.1100	1.1100	—
Mexico	Peso	.4985	.1850	.1848	3
Cuba.....	Peso	1.0000	.....	.....	—
Guadeloupe	Franc	.0392	.0200	.0201	—
Jamaica.....	Pound	4.8666	4.4800	4.4800	—
Martinique.....	Franc	.0392	.0200	.0201	—
Other British West Indies	Dollar	1.0138	.9313	.9313	—
Argentina.....	Peso (Paper)	.4245	.3304	.3304	3½
	Free		.2503	.2498	—
Brazil.....	Milreis (Paper)	.1196	.0670	.0670	—
	Free		.0558	.0556	—
British Guiana	Dollar	1.0138	.9313	.9313	—
Chile	Peso	.1217	.0574	.0574	3-4½
	Export		.0444	.0444	—
Colombia	Peso	.9733	.6338	.6347	4
Peru.....	Sol	.2800	.....	.....	6
Venezuela.....	Bolivar	.1930	.....	.....	—
Uruguay.....	Peso	1.0342			
	Controlled		.7307	.7307	—
	Uncontrolled		.4218	.4224	—
South Africa.....	Pound	4.8666	4.4600	4.4600	3½
Egypt	Pound (100 Piastres)	4.9431	4.5800	4.5800	—
China (Shanghai)	Dollar	.....	.0599	.0559	—
Hongkong.....	Dollar	.....	.2201	.2207	—
India	Ruppee	.3650	.3359	.3359	3
Japan	Yen	.4985	.2602	.2602	3.29
Java	Guilder	.4020	.....	.....	—
Thailand (Siam)	Baht (Tical)	.4424	.....	.....	—
Straits Settlements.....	Dollar	.5678	.5256	.5256	—
Australia	Pound	4.8666	3.5800	3.5800	3
New Zealand.....	Pound	4.8666	3.5900	3.5900	4

The Dominion Bureau of Statistics has supplied the following note:

There was no change in official buying and selling rates set by the Canadian Foreign Exchange Control Board for sterling and United States funds during the week ended June 3. These remained at \$4.43-\$4.47 and \$1.10-\$1.11 respectively. At New York sterling free market rates fluctuated between \$3.16½ and \$3.22½, while the close at \$3.20½ indicated a net increase of 1 cent on the week. On the other hand the Canadian dollar rate at New York eased from 79½ cents to 78½ cents in the same interval. French francs at Montreal closed 1 point higher at 2.01 cents, while Swiss francs were 1 lower at 24.84 cents. Nominal quotations for the Swedish krona stiffened 4 points during the week to 226.41 cents, while the Argentine peso (free rate), continuing its irregular decline of the past few weeks, fell 5 points to 24.98 cents.

TRADE OPPORTUNITIES ABROAD FOR CANADIAN PRODUCTS

The Trade Inquiries for Canadian products published below have been received since the publication of the last issue of the *Commercial Intelligence Journal*. Interested exporters may secure the names and addresses of the firms making these inquiries, together with further details regarding the commodities required, on application to the Director, Commercial Intelligence Branch, Department of Trade and Commerce, Ottawa, or—

Secretary, Board of Trade—

Saint John, N.B.
Halifax, N.S.
Quebec, P.Q.
Montreal, P.Q.
Toronto, Ont.
Chatham, Ont.

Guelph, Ont.
Kitchener, Ont.
Brantford, Ont.
Stratford, Ont.
Woodstock, Ont.
St. Mary's, Ont.

Portage la Prairie, Man.
St. Boniface, Man.
Winnipeg, Man.
Vancouver, B.C.
New Westminster, B.C.

Secretary, Chamber of Commerce—

Sherbrooke, P.Q.
Kingston, Ont.
Oshawa, Ont.
Belleville, Ont.

Peterborough, Ont.
London, Ont.
St. Catharines, Ont.
Hamilton, Ont.

Victoria, B.C.
Prince Rupert, B.C.

Windsor Chamber of Commerce, Windsor, Ont.

Commercial Intelligence Service, Department of Municipal Affairs, Trade and Commerce, Quebec.

Department of Industry, Brantford, Ont.

Industrial Commissioner, Stratford, Ont.

La Chambre de Commerce de Montréal, 25 St. James E., Montreal, P.Q.

Secretary, Canadian Manufacturers Association—

Toronto, Ont.
Montreal, P.Q.

Winnipeg, Man.
Edmonton, Alta.

Vancouver, B.C.
Victoria, B.C.

Director, Bureau of Industrial and Trade Extension, Department of Trade and Industry, Victoria, B.C.

Canadian exporters should, for follow-up purposes, transmit a copy of any reply sent in response to a Trade Inquiry to the Trade Commissioner in the territory from which the inquiry emanated.

Commodity	No.	Location of Inquirer	Purchase or Agency
Foodstuffs and Feedstuffs—			
Honey.....	409	Glasgow, Scotland.....	Purchase.
Fish Meal and Meat Meal for Poultry Feed.....	410-11	Tel-Aviv, Palestine.....	Agency.
Oats.....	412	Lisbon, Portugal.....	Agency.
Miscellaneous—			
Paper, Kraft Wrapping.....	413	Panama City, Panama....	Purchase and Agency.
Paper: M.G. Kraft, Fine Glazed Casing, M.G. Sulphite Tissue.....	414-16	Belfast, Northern Ireland.	Purchase.
Paper: Tissue, Glazed Orange and Yellow Printing, M.G. Blue Wrapping and Yellow and Orange (M/F) Printing (Matchpaper).....	417-20	Shanghai, China.....	Purchase or Agency.
Leather: Box Calf and Sides, Willow Calf and Sides.....	421	Larnaca, Cyprus.....	Agency.
Polish, Metal and Shoe.....	422	Baghdad, Iraq.....	Agency.

COMMERCIAL INTELLIGENCE SERVICE

L. D. WILGRESS, *Director*

Argentina

J. A. STRONG, B. Mitre 430, Buenos Aires (1). (Territory includes Uruguay.) *Cable address, Canadian.*

Australia

Sydney: L. M. COSGRAVE. Address for letters—P.O. Box No. 3952V. Office—City Mutual Life Building, Hunter and Bligh Streets. (Territory includes the Australian Capital Territory, New South Wales, Queensland, Northern Territory and Dependencies.) *Cable address, Canadian.*

Melbourne: FREDERICK PALMER, 83 William Street, Melbourne, C.1. (Territory includes States of Victoria, South Australia, Western Australia, and Tasmania.) *Cable address, Canadian.*

Brazil

L. S. GLASS. Address for letters—Caixa Postal 2164, Rio de Janeiro. Office—Ed. Da. "A. Noite," Sala 802, Praca Maua. *Cable address, Canadian.*

British India

PAUL SYKES. Address for letters—P.O. Box 886, Bombay. Office—Gresham Assurance House, Mint Road, Bombay. (Territory includes Burma and Ceylon.) *Cable address, Canadian.*

British Malaya

J. L. MUTTER, Union Building, Singapore, Straits Settlements. (Territory includes the Straits Settlements, the Federated Malay States, the Unfederated Malay States, Thailand, British Borneo, and Netherlands India.) *Cable address, Canadian.*

British West Indies

Trinidad: M. B. PALMER. Address for letters—P.O. Box 125, Port of Spain. Office—Barclay's Bank Building. (Territory includes Barbados, Windward and Leeward Islands, and British Guiana.) *Cable address, Canadian.*

Jamaica: F. W. FRASER, P.O. Box 225, Kingston. Office—Canadian Bank of Commerce Chambers. (Territory includes the Bahamas and British Honduras.) *Cable address, Canadian.*

China

V. E. DUCLOS. Address for letters—P.O. Box 264, Shanghai. Office—Ewo Building, 27 The Bund, Shanghai. (Territory includes Central China and North China.) *Cable address, Canadian.*

Cuba

C. S. BISSETT. Address for letters—Apartado 1945, Havana. Office—Royal Bank of Canada Building, Calle Aguiar 367, Havana. (Territory includes Haiti, the Dominican Republic, and Puerto Rico.) *Cable address, Canadian.*

Egypt

HENRI TURCOT. Address for letters—P.O. Box 1770, Cairo. Office—22 Shari Kasr el Nil, Cairo. (Territory includes the Sudan, Palestine, Cyprus, Iraq, Syria, Iran, Greece, Turkey, Bulgaria, and Roumania.) *Cable address, Canadian.*

France

HERCULE BARRÉ, Commercial Attaché, 3 rue Scribe, Paris (9). (Territory includes French Colonies in North Africa.) *Cable address, Cancomac.*

Hongkong

P. V. McLANE. Address for letters—P.O. Box 80, Hongkong. Office—Hongkong and Shanghai Bank Building, Hongkong. (Territory includes South China, the Philippines, and Indo-China.) *Cable address, Canadian.*

Ireland

JAMES CORMACK, 66 Upper O'Connell Street, Dublin, Ireland (*cable address, Canadian*); and 36 Victoria Square, Belfast, Northern Ireland.

CANADIAN GOVERNMENT TRADE COMMISSIONERS—*Con.*

Italy

- A. B. MUDDIMAN, Via Manzoni Nr. 5, Milan (102). (Territory includes Spain, Portugal, Gibraltar, Malta, Albania, and Yugoslavia.) *Cable address, Canadian.*

Japan

- C. M. CROFT, Commercial Secretary. Address for letters—P.O. Box 18, Akasaka Post Office, Tokyo. Office—Canadian Legation, 16 Omotecho, 3-chome, Akasakaku, Tokyo. *Cable address, Canadian.*

Mexico

- R. T. YOUNG. Address for letters—Apartado Num. 126-Bis, Mexico City. Office—Edificio Banco de Londres y Mexico, Num. 30, Mexico City. (Territory includes Guatemala, Honduras, and Salvador.) *Cable address, Canadian.*

New Zealand

- W. F. BULL. Address for letters—P.O. Box 33, Auckland. Office—Yorkshire House, Shortland Street, Auckland. (Territory includes Fiji and Western Samoa.) *Cable address, Canadian.*

Panama

- H. W. BRIGHTON. Address for letters—P.O. Box 222, Panama City. Office—98 Central Avenue, Panama City. (Territory includes the Canal Zone, Venezuela, Colombia, Nicaragua, and Costa Rica.) *Cable address, Canadian.*

Peru

- M. J. VECHSLER. Address for letters—Casilla 1212, Lima. Office—Edificio Boza, Carabaya 831, Plaza San Martin, Lima. (Territory includes Bolivia, Ecuador, and Chile.) *Cable address, Canadian.*

South Africa

- Cape Town: J. C. MACGILLIVRAY. Address for letters—P.O. Box 683. Office—New South African Mutual Buildings, 21 Parliament Street. (Territory includes Cape Province and Southwest Africa, Natal, Tanganyika, Kenya, Uganda, Mauritius, and Madagascar.) *Cable address, Cantracom.*

- Johannesburg: J. H. ENGLISH. Address for letters—P.O. Box 715. Office—Prudential Assurance Building, 92 Fox Street. (Territory includes Transvaal, Orange Free State, the Rhodesias, Mozambique or Portuguese East Africa, and Nyasaland.) *Cable address, Cantracom.*

United Kingdom

- London: FREDERIC HUDD, Chief Trade Commissioner in the United Kingdom, Canada House, Trafalgar Square, S.W.1. *Cable address, Sleighing, London.*

- London: G. R. HEASMAN, Trade Commissioner, Canada House, Trafalgar Square, S.W.1. (Territory includes Home Counties, Southeastern Counties, and East Anglia; also British West Africa.) *Cable address, Sleighing, London.*

- London: W. B. GORNALL, Fruit Trade Commissioner, Aldine House, Bedford Street, Strand, W.C.2. *Cable address, Canfrucum.* (Territory—for fresh fruit only—includes United Kingdom, Norway, Denmark, Sweden, France, Holland, and Belgium).

- London: G. R. PATERSON, Animal Products Trade Commissioner, Canada House, Trafalgar Square, S.W. 1. *Cable address, Agrilson.*

- Liverpool: A. E. BRYAN, Martins Bank Building, Water Street. (Territory includes North of England, Lincolnshire, North Midlands, and North Wales.) *Cable address, Canadian.*

- Bristol: E. L. MCCOLL, Northcliffe House, Colston Avenue. (Territory includes West of England, South Wales, and South Midlands.) *Cable address, Canadian.*

- Glasgow: G. B. JOHNSON, 200 St. Vincent Street. (Territory covers Scotland.) *Cable address, Cantracom.*

United States

- New York City: D. S. COLE, British Empire Building, Rockefeller Center. (Territory includes Bermuda.) *Cable address, Cantracom.*

- Chicago: W. J. RIDDIFORD, Tribune Tower, 435 North Michigan Avenue. *Cable address, Canadian.*

- Los Angeles: B. C. BUTLER, Associated Realty Building, 510 West Sixth Street. *Cable address, Canadian.*

Note.—Bentley's Second Phrase Code is used by Canadian Trade Commissioners.

107-1002
Can

COMMERCIAL INTELLIGENCE JOURNAL

Vol. LXII

Ottawa, June 15, 1940

No. 1898



Unloading Douglas Fir from Canada at Alexandria, Egypt

ISSUED BY AUTHORITY OF
THE HON. JAS. A. MACKINNON, MINISTER OF TRADE AND COMMERCE
J. G. PARMELEE, DEPUTY MINISTER



CONTENTS

	Page
Trade Commissioners on Tour.....	927
Overseas Trade of the United Kingdom in April.....	927
Market for Pine Tar in the United Kingdom.....	928
United Kingdom Regulation of Prices.....	930
Increase in Maximum Prices for Feedstuffs in the United Kingdom	930
Agricultural Price Changes in the United Kingdom.....	931
Meat Import Trade of the United Kingdom in 1939.....	933
Australia's Imports from the Scandinavian and Baltic Countries	937
Foreign Trade of Belgium in 1939.....	942
Conditions in Bulgaria in 1939.....	946
Increased Yugoslav Exports	947
Foreign Trade of Egypt in 1939	948
Trade of the Anglo-Egyptian Sudan in 1939.....	955
Trade Possibilities for Canadian Goods in Chile.....	957
Tariff Changes and Trade Regulations.....	959
Exchange Regulations in New Zealand.....	962
Foreign Exchange Quotations.....	963
Trade Inquiries for Canadian Products.....	964
Commercial Intelligence Service	965

Issued Every Saturday by the Department of Trade and Commerce

PUBLISHED in English and French. Subscription Price for either edition: \$1 per annum in Canada (single copies 5 cents each); \$3.50 outside the Dominion (single copies 10 cents each). Remittances, which may be made by Post Office or Express Orders, or Drafts, or Cheques, payable at par in Ottawa, should be addressed to the King's Printer, Government Printing Bureau, Ottawa.

No. 1898

Mr. M. B. Palmer, Canadian Trade Commissioner at Port of Spain, Trinidad (whose territory includes Barbados, Windward and Leeward Islands, and British Guiana), and Mr. F. W. Fraser, Canadian Trade Commissioner at Kingston, Jamaica (whose territory includes the Bahamas and British Honduras), are on tour in the Dominion in the interest of Canadian trade with their territories. Following are their itineraries:—

St. Catharines, Niagara	
Falls and Welland	July 17
Brantford	July 18
Guelph	July 19
Kitchener	July 20
Stratford, Woodstock and Ingersoll	July 22
London	July 23
Chatham and district . . .	July 24
Walkerville	July 25

Niagara Falls, St. Catharines, Grimsby and		
Winona	July 12	
Hamilton and district.	July 13	to 16
Galt and district	July 17	
Kitchener and district.	July 18	and 19
Guelph and district	July 20	
Port Hope, Cobourg and		
Peterborough	July 22	
Belleville and district.	July 23	
Kingston, Gananoque and		
Brockville.	July 24	
Ottawa	July 25	and 26

London, May 20, 1940.—The most encouraging feature of the Board of Trade summary of the overseas trade of the United Kingdom during the month of April is the continuance of the trend towards increased exports. The interruption of trade with Scandinavia and the Baltic countries adversely affected the returns but, despite this handicap, exports of United Kingdom goods in April not only exceeded those of any month since the outbreak of war but their total value of £48,299,823 was 37 per cent greater than in the corresponding month of 1939 and the highest monthly figure since July, 1930. Re-exports (£661,382) also reached their highest wartime total. Therefore the excess of imports over exports of merchandise amounted during the month to £57,252,000. This compared with £30,320,000 in the same month a year ago, but represented an improvement of £6,237,000 over the adverse balance in March, 1940.

IMPORTS

Reviewing imports, the figures show that those of foodstuffs (valued at £42,098,918) expanded by 35 per cent as compared with April, 1939. Grain and flour (£9,262,456) went up by 120 per cent, meat (£9,617,480) by 29 per cent, and dairy produce (£5,658,894) by 3 per cent. On the other hand, receipts of fresh fruit and vegetables declined by 16 per cent to £3,177,152. "Raw material" imports reflected industrial activity, and at £35,306,363 were 80 per cent higher than a year ago. Included in this category were raw cotton (£5,480,031); rubber (£1,717,734); and flax, jute, etc. (£3,271,665), imports of all of which more than doubled. Arrivals of wool (£6,470,413) showed a gain of 33 per cent, wood and timber (£2,686,694) of 50 per cent, and seeds and nuts (£6,245,225) of 87 per cent. Imports of fully "manufactured goods" (£31,996,890) also showed a substantial advance, 62 per cent. Deliveries of vehicles, ships and aircraft (£2,205,107) were three times greater in value than during April, 1939, while iron and steel manufactures (£2,777,497) increased by 180 per cent; non-ferrous metals and manufactures (£4,889,218) by 55 per cent; machinery (£3,643,033) by 70 per cent; paper, cardboard, etc. (£1,918,344) by 70 per cent; and leather (£1,139,279) by 74 per cent.

EXPORTS

As regards exports of United Kingdom goods, increases were recorded throughout almost the whole range. The growth of 57 per cent in "food, drink and tobacco" (£3,382,719) was attributable almost entirely to "beverages," which at £2,310,656 showed an increase of 170 per cent. Shipments abroad of "raw materials" (£4,555,056) went up by 9 per cent, to which coal contributed £3,093,982, an increase of 13 per cent.

A very satisfactory expansion of 42 per cent took place in exports of "manufactured goods" (£38,988,303). Practically every item in the list shared in the result. Cotton manufactures (£5,524,269) rose by 50 per cent; woollen manufactures (£3,614,367) by 89 per cent, the highest for ten years; silk and artificial silk (£843,895) by 106 per cent; chemicals (£3,189,043) by 75 per cent; and vehicles, ships, and aircraft (£4,771,503) by 45 per cent.

Although the future is obscured by the invasion of Holland and Belgium, it is hoped that exports will be maintained and expanded. The urgent claims of war industries for certain raw materials are an adverse factor, but every effort is being made by the Export Council to solve the problem by a system of priorities in which the requirements of export trade will take precedence over the home demand.

MARKET FOR PINE TAR IN THE UNITED KINGDOM

L. H. AUSMAN, ASSISTANT TRADE COMMISSIONER

Bristol, May 16, 1940.—The war has seriously affected the usual sources of supply of pine tar for the British market. Formerly, Poland was one of the principal suppliers, together with Soviet Russia, Sweden, and the United States. After the invasion of Poland, increased purchases were made in Sweden until supplies were virtually cut off by the closing of the Baltic Sea. A special thick, beady tar is obtained from Russia, but shipments are made from Archangel during only the short period of the year when that port is open to navigation. Imports from the United States have increased greatly in recent years, and particularly since the interruption of European supplies.

USES OF PINE TAR

Pine tar is used in various industries, especially in the manufacture of rubber tires, rope, and jute and as a dressing for coal bags. It is difficult to

state definitely the quantity consumed in the United Kingdom, as the import statistics do not show pine tar separately. It is grouped under the heading "tar and pitch," of which 7,587 tons were imported in 1938. One manufacturer using pine tar estimates consumption at 100 tons per week, of which about 80 tons are used in the rubber industry. An importer who supplies this product to various industries is now bringing in from 10,000 to 15,000 drums annually.

DOMESTIC PRODUCTION AND SUBSTITUTES

A certain amount of wood tar is distilled in England from beech but, generally speaking, it is unsuitable for the principal industrial requirements. Refined coal tar could possibly be used as a substitute if necessary, but in many respects it is unsatisfactory. The use of waste wood from saw-mills for distillation has been tried, but its water content is usually too high.

SPECIFICATIONS

The following general specifications have been submitted for pine tar:—

Viscosity: Redwood viscosity, 8 to 20 mins. at 100° F.

Specific Gravity: 1.00 to 1.15 at 15° C.

Solubility: To be soluble in its own volume of 90 per cent alcohol.

Acidity: Less than 1 per cent to phenol-phthalein (expressed as acetic acid).

Water: Less than 2 per cent by volume.

Distillation: Less than 25 per cent to distill up to 285° C.

Another specification received varies from the above in that the water content is not to be more than 1 per cent. Colour is required to be light brown—the lighter the better. Resin content is not mentioned and apparently is not an important factor.

PRICES

Before the outbreak of war considerable quantities of pine tar of Polish origin were imported at a price between £8 and £9 per ton. Duty paid and landed, the better qualities sold at £10 10s. United States pine tar is being offered at approximately 25 cents per United States wine gallon f.a.s. Jacksonville or other Southern ports. The corresponding landed price at Liverpool is said to be about £27 10s. per ton, including war-risk insurance and duty. Other United States quotations are, however, in the neighbourhood of £20 per ton, c.i.f.

DUTY

Pine tar from foreign sources is subject to an import duty of 10 per cent ad valorem, but from Empire sources enters the United Kingdom duty free. There are at present no import restrictions applying to this product.*

PROSPECTS FOR CANADIAN PINE TAR

Although there is little, if any, production of pine tar in Canada at present, it is considered possible that, on account of the prevailing European situation, the industry might be developed, using either Eastern Canadian pine or Douglas fir, provided a product conforming to the specifications mentioned above can be obtained from these woods. For reasons already stated, waste wood from saw-mills is not satisfactory.

Considerable quantities of United States pine tar are used in Canada, and it is suggested that Canadian offers should equal this product in quality.

In addition to the domestic demand for pine tar in Canada and the war-time needs of the rubber and other industries in this country, there are said

* United Kingdom import licensing system was extended to all commodities as from June 10 but wood tar is one of the articles admitted under open general licence from all countries.

to be prospects for developing a trade with such Empire countries as Australia, South Africa, and India.

A large and important United Kingdom firm of tar distillers and merchants using pine tar is desirous of obtaining sole representation of a Canadian producer of this product. This firm, which formerly bought from Poland and Sweden, is now obtaining supplies from the United States only. They state that if a Canadian firm can offer pine tar at approximately 20s. per hundred-weight (112 pounds), drums free, c.i.f. Bristol or other United Kingdom ports, business would be possible.

UNITED KINGDOM REGULATION OF PRICES

A report was published in *Commercial Intelligence Journal* No. 1877 (January 20, 1940) summarizing the legislation adopted in the United Kingdom to check unjustifiable rises in prices of certain essential commodities.

The Chief Canadian Trade Commissioner in London writes that a further Order, effective June 10, has been issued under the Prices of Goods Act, which will establish controlled prices for many other articles of common use.

The Order of last December covered in the main the cheaper grades of clothing and household goods and the textile and leather goods used in their manufacture. The new Order includes not only the above, regardless of price, but also all kinds of clothing, boots and shoes, domestic hardware and turnery, cutlery, household textiles, domestic furniture, radio sets and gramophones, cycles, clocks and watches, drugs, soap, toilet preparations and requisites, candles, matches, stationery, and garden implements, parts and accessories.

The prices of the more important classes of materials needed for the manufacture of most of these goods are also controlled. Articles for export are exempt.

The Board of Trade have made another Order under the same Act specifying permitted prices, both wholesale and retail, for a number of branded and price-maintained goods in respect of which applications had been made by the Central Price Regulation Committee at the instance of the manufacturers.

It will be recalled that it is forbidden to sell price-regulated goods at more than their price on August 21, 1939, plus an increase representing the actual rise in costs and expenses.

INCREASE IN MAXIMUM PRICES FOR FEEDSTUFFS IN THE UNITED KINGDOM

G. R. HEASMAN, CANADIAN TRADE COMMISSIONER

London, May 22, 1940.—Since publication of the report on revised prices for feedstuffs in the United Kingdom in *Commercial Intelligence Journal* No. 1879 (February 3, 1940), there have been two revisions of prices. The first, issued in April, did not alter the prices of those feedstuffs of chief interest to Canada. On May 15, however, a still further revision of maximum prices for feeding-stuffs was issued, effective May 16.

The commodities affected and the increase in the maximum prices above those previously existing are as follows:—

	Increase in Maximum Price per Ton		
	£	s.	d.
Maize, imported barley and their products	2	0	0
Wheat by-products (home produced and imported)	1	7	6
Wheat provender mixture	1	0	0
Flaked or rolled wheat mixture	0	10	0
All oilcakes and meals, imported rice bran and locust beans and their products	0	5	0

The prices of the following feeding-stuffs remain unchanged: oats and oat products, wheat and cut wheat, fish meal, whale meat meal, meat meal, bone

meal and bone flour, dried grains and malt culms, dried sugar-beet pulp, and feeding beans, peas and lentils and their products. Purchases of home-grown beans for seed by or on behalf of the agricultural departments are excluded from the provisions of the order.

Practically all imported feeding-stuffs are now bought on government account, and the increases in the maximum prices are necessary to prevent loss on the transactions due to the increased cost of bringing feeding-stuffs into the country.

The present prices of those commodities of chief interest to Canada, which were listed in *Commercial Intelligence Journal* No. 1879, page 168, are as follows:

	New Price			Old Price		
	£	s.	d.	£	s.	d.
	Per Long Ton Gross Weight,			Sacks Included		
Bran and middlings, imported, other than Australian .. .	8	10	0	7	2	6
Fish meal, imported herring:						
60-64 per cent protein .. .	20	0	0	20	0	0
65-70 per cent protein .. .	21	0	0	21	0	0
Fish meal, imported, other:						
45-50 per cent protein, 8-9 per cent oil .. .	18	0	0	18	0	0
65 per cent protein, 8 per cent oil .. .	22	0	0	22	0	0
	Per Long Ton Net Weight,			Sacks Extra		
Soya bean cake, imported .. .	11	17	6	11	12	6
Linseed cake, slab, imported .. .	10	17	6	10	12	6
No. 1 Canadian feed oats .. .	11	0	0	11	0	0
Feeding wheat, imported .. .	7	4	1	7	4	1
Feeding barley, imported .. .	10	0	0	8	0	0
	Per Long Ton Baled					
Canadian hay, f.a.q. .. .	5	15	0	5	15	0
Canadian timothy and clover .. .	6	2	6	6	2	6

The Ministry of Food have also issued a memorandum pertaining to the sale of feeding-stuffs to farmers. This memorandum explains the present position concerning the allocation of imported cereal feeding-stuffs from the ports to distributing dealers and gives guidance to dealers in regard to the distribution of their supplies of feeding-stuffs of all kinds to their customers, having regard to the Government's policy of giving preference to certain classes of live stock and certain types of producers. A copy of this memorandum, together with the complete list of the amended Feedstuffs Maximum Prices, is on file at the Department of Trade and Commerce, Ottawa.

AGRICULTURAL PRICE CHANGES IN THE UNITED KINGDOM

G. R. PATERSON, ANIMAL PRODUCTS TRADE COMMISSIONER

London, May 14, 1940.—The appended tables, from the publication *Farmer and Stock-Breeder*, summarize the changes in the prices in the United Kingdom of various important products of the farm brought about by wartime conditions and government control measures. Livestock prices in particular show advances that at first glance seem substantial. However, a comparison of these price increases with the extra costs of staple feeds shows that there is some justification for the contention of United Kingdom farmers that their returns from the sale of livestock should be higher.

The National Farmers' Union and the Chamber of Agriculture for Scotland welcomed Mr. Chamberlain's recent statement that "prices of agricultural products must be such as would give a reasonable return to the farmer and enable him to pay fair wages to his workers." In support of their statement that higher fixed prices for livestock are justified, these organizations quoted figures to show that, whereas the cost of producing a beef animal to be marketed at 9½ long cwt. had increased by 45·66 per cent since the outbreak of war, controlled selling values permitted an increased return to the producer of only 16·1 per cent.

The comparative tables referred to above are as follows, quantities being shown in hundredweights of 112 pounds:—

Comparative Prices of Store Stock

		A			B			C			Inc. or Dec.		Week ended		
		March, 1939			August, 1939			March, 1940			with A	with B	April 4, 1940		
		Per Head			Per Head			Per Head			C comp. P.C.	C comp. with B P.C.	Per Head		
		£	s.	d.	£	s.	d.	£	s.	d.			£	s.	d.
Store stock—															
Dairy cattle in milk:															
Shorthorn...	1st	26	3	0	26	13	0	30	6	0	+16	+14	31	1	0
	2nd	20	6	0	20	11	0	23	9	0	+16	+14	23	19	0
Calvers:															
Shorthorn...	1st	22	16	0	23	9	0	25	10	0	+12	+9	26	0	6
	2nd	18	6	0	19	6	0	20	5	0	+11	+5	20	14	6
Store cattle:															
Shorthorn yearlings	1st	12	2	0	12	4	0	14	9	0	+19	+18	15	7	0
	2nd	10	6	0	10	0	0	12	4	0	+18	+22	12	16	6
2-year olds	1st	16	4	0	17	1	0	19	15	0	+22	+16	21	6	6
	2nd	14	4	0	14	13	0	16	17	0	+19	+15	17	17	0
Store sheep—															
Down and longwool.	1st	41	7		36	11		51	5		+24	+39	53	2	
	2nd	34	7		30	2		41	7		+20	+38	42	11	
Store pigs—															
8-12 weeks	1st	31	9		33	2		29	3		—8	—12	32	3	
	2nd	25	3		26	11		22	0		—13	—18	25	3	
12-16 weeks.	1st	41	10		49	6		48	10		+17	—1	53	6	
	2nd	41	2		42	2		39	4		—4	—7	44	4	
Rearing calves.	1st	65	2		67	5		69	0		+6	+2	76	7	
	2nd	45	0		47	3		46	3		+3	—2	52	6	

Comparative Prices of Livestock and Feeding Stuffs

		A		B		C		Inc. Cover A	Inc. Cover B	Week ended	
		Mar., 1939	Per 504 Lbs.	Aug., 1939	Per 504 Lbs.	Mar., 1940	Per 504 Lbs.			Apr. 27, 1940	Per 504 Lbs.
		s. d.		s. d.		s. d.		P.C.	P.C.	s. d.	
Wheat, standard price		45 0		45 0		49 6		10	10	49 6	
	Per Cwt.									Per Cwt.	
Barley, gazette price		7 4		6 6		16 7		126	155	16 6	
Oats—											
Standard price		....		8 0		9 0		..	12	9 0	
Gazette price		6 1		5 10		12 11		112	121	11 8	
Maximum prices:											
Feeding		....		....		11 0		..	..	11 0	
Milling		....		....		12 0		..	..	12 0	
										Week ended	
										Apr. 24, 1940	
										Per	
Fat cattle—										Live Cwt.	
1st quality		49 3*		49 5*		61 0†		24	23	62 0†	
2nd quality		43 2*		43 5*		55 6†		29	28	56 6†	
Fat sheep, average 1st and 2nd quality		Per Lb.		Per Lb.		Per Lb.				Per Lb.	
		0 10½		0 8½		1 1½		21	53	1 0½‡	
Fat pigs—		Per Score		Per Score		Per Score				Per Score	
Baconers, average 1st and 2nd quality		13 4		12 4		17 9§		33	44	17 9§	
Porkers, average 1st and 2nd quality		15 1		13 5		18 6§		23	38	18 6§	
										Apr.-Sept. 1940	
										Per Gal.	
Milk, average national pool price		Apr., 1939		Aug., 1939		Apr., 1940				s. d.	
		Per Gal.		Per Gal.		Per Gal.					
		s. d.		s. d.		s. d.					
		0 12.841		0 12		0 15.341		19	28	0 14.2	

* Including subsidy at the rate of 7s. 6d. for 1st quality and 5s. for 2nd. Grading for the purpose of the cattle subsidy was not, however, exactly comparable to the new basis of grading.

† Control price. Estimated average price for the four categories included in Special Grade and Grade A, and for the three categories included in Grade B.

‡ Control price.

§ Assumed average of control prices for the different weights.

The Animal Products Trade Commissioner writes under date May 16 that from May 20 the basic price of pigs will be 19s. per score for those not in excess of 9 score. Pigs up to 10 score will be paid for on the basis of 18s. per score, from 10 score 1 pound to 11 score on the basis of 16s. per score, and over 11 score at 15s. per score. A tolerance is being allowed for pigs weighing from 9 score 1 pound to 9 score 5 pounds; such pigs will be paid for at the maximum for 9 score pigs, namely 171s.

MEAT IMPORT TRADE OF THE UNITED KINGDOM IN 1939

G. R. PATERSON, ANIMAL PRODUCTS TRADE COMMISSIONER

BEEF, MUTTON, LAMB AND PORK

London.—Imports of beef, mutton and lamb into the United Kingdom during the first seven months of 1939 were lower in quantity by 443,193 hundredweights than in the corresponding period of 1938. Frozen beef imports at 823,081 hundredweights were higher by 35,485 hundredweights, but this increase was offset by a decline of 53,330 hundredweights to 5,429,124 hundredweights in chilled beef imports. Mutton imports were 180,148 hundredweights lower and lamb imports showed a decrease of 254,200 hundredweights during the seven months.

With respect to the situation during the last five months, for which statistics are not available, it may be said that in general supplies were more or less normal. Large contracts with Empire and South American countries for frozen and chilled beef, mutton and lamb were completed shortly after the commencement of war.

The following table shows the imports of chilled and frozen beef by principal supplying countries during the seven months ending July in 1937, 1938 and 1939:—

Imports of Chilled and Frozen Beef, January-July, 1937-39

	1937 Cwts.	1938 Cwts.	1939 Cwts.
Chilled beef—			
Australia.. . . .	222,107	308,453	327,430
New Zealand	196,794	260,052	298,112
Other British countries	88,684	58,733	67,706
Brazil.. . . .	454,164	442,534	436,509
Uruguay	391,240	392,816	357,276
Argentina	4,060,624	4,019,866	3,942,075
Other foreign countries .. . . .	.....	.....	16
Total	5,413,613	5,482,454	5,429,124
Frozen beef—			
Australia.. . . .	562,314	586,403	570,393
New Zealand	72,178	96,529	132,229
Other British countries.. . . .	6,813	1,392	2,239
Brazil.. . . .	2,801	567	1,440
Uruguay.. . . .	28,516	34,559	33,990
Argentina	64,714	68,146	82,286
Other foreign countries.. . . .	.....	.....	504
Total	737,336	787,596	823,081

The numbers of pig, sheep and lamb carcasses, and of quarters of frozen and chilled beef imported into the United Kingdom from Australia, New Zealand and South America during the period January-July, and the imports in the corresponding periods of 1937 and 1938, are shown in the following table:—

*Imports of Pig, Sheep and Lamb Carcasses, and of Frozen and Chilled Beef
Quarters, January-July, 1937-39*

	1937	1938	1939
Australia—			
Pig carcasses	152,710	169,024	162,076
Sheep carcasses	713,231	733,985	384,570
Lamb carcasses	2,180,013	1,793,133	1,380,350
Frozen beef (quarters)	615,001	546,377	543,031
Chilled beef (quarters)	201,644	266,482	239,004
New Zealand—			
Pig carcasses	326,870	309,840	267,414
Sheep carcasses	1,055,261	1,292,154	1,191,697
Lamb carcasses	7,168,746	7,051,926	7,189,283
Frozen beef (quarters)	91,614	77,383	104,696
Chilled beef (quarters)	136,081	166,637	188,227
South America—			
Pig carcasses	2,440*	8,814*	1,393*
Sheep carcasses	421,325	362,527	212,994
Lamb carcasses	2,371,138	2,527,477	2,666,260
Frozen beef (quarters)	17,481	30,213	24,749
Chilled beef (quarters)	3,181,538	3,268,997	3,186,735

* Incomplete.

CONTROL OF MEAT

The Livestock Industry Act, 1938, prescribed that the Board of Trade could regulate, by order, the importation into the United Kingdom of any such live stock or meat as described in the order, if it appeared to the Board, having regard to the interests of all classes of persons concerned, whether producers or consumers, and to the commercial relations between the United Kingdom and other countries, that the making of the order would be desirable in order to secure the stability of the market for live stock and meat in the United Kingdom.

As with many other products imported, meat came under a requisitioning order shortly after war began. Prices were agreed upon between the importers and the Ministry of Food. As soon as possible supplies of meat were purchased under direct contract between the Ministry of Food and the supplying countries. In order to maintain control and at the same time utilize services already in being, the importers were organized into an association known as MINDAL (Meat Importers' National (Defence) Association Limited). This body of pre-war registered importers acts as the distributing agency of the Ministry of Food, operating under definite contract and on a commission basis. Allotments of supplies are made on a pre-war comparative quota basis. Importers do not necessarily handle supplies from their original shippers.

Prices were also placed under control, and for the most part were based closely on pre-war rates plus necessary increases for extra costs incurred under war conditions, such as war risk, extra freight charges, storage and distribution.

BACON

The following table gives details of the imports of bacon during the first seven months of 1937, 1938 and 1939:—

Imports of Bacon, January-July, 1937-39

	1937 Cwts.	1938 Cwts.	1939 Cwts.
Canada	879,781	778,908	673,321
Ireland	271,386	283,866	243,310
Kenya . . . . .	.....	.....	98
Australia	54	160	.....
Denmark	1,987,422	1,969,649	1,967,015
Netherlands	293,613	291,793	428,876
Poland	250,493	259,151	369,762
Sweden	147,888	147,858	195,069
Lithuania	104,307	109,393	186,705
Estonia	22,762	22,643	34,432
Latvia	21,312	21,103	35,029

	1937 Cwts.	1938 Cwts.	1939 Cwts.
Finland	12,207	12,181	21,296
Soviet Russia	7,359	9,418	.....
Norway	6,916	6,919	6,691
Roumania	7,067	6,744	6,620
Hungary	6,662	7,140	5,866
Yugoslavia	6,024	6,074	6,308
Belgium	5,950	4,865	1,022
Bulgaria	5,174	4,307	3,883
Italy . . . . .	.....	27	23
Czecho-Slovakia	2,531	1,861	.....
United States	4,218	13,216	41,356
Brazil	5,315	6,028	8,374
Argentina	15,113	17,001	19,654
Uruguay . . . . .	.....	.....	1,132
Other foreign countries	112	24	.....
Total Empire countries	1,151,221	1,062,934	916,729
Total foreign countries	2,912,465	2,917,395	3,339,114
Total all countries	4,063,686	3,980,329	4,255,843

Although the total bacon imports during the first seven months of 1939 were 275,514 hundredweights (6·9 per cent) greater than during the corresponding period in 1938, the Canadian contribution was 105,587 hundredweights (13·5 per cent) less. Ireland also provided 40,556 hundredweights (14·3 per cent) less during this period. Danish supplies were practically the same, but greatly increased quantities came from the Netherlands, Poland, Sweden and Lithuania.

Canadian bacon supplies increased rapidly during the closing months of the year, and in some weeks over twice as much was received as compared with the weekly arrivals during the period under review.

PRICES

The low point in average top prices for Canadian bacon in the first nine months was 79s. in May and the high point 91s. in February. In September the average top price was 90s. 6d. For Danish bacon the high average top price was 101s. in March and the low 90s. in May. Irish bacon touched a high of 102s. in February and a low of 88s. 6d. in May. For Swedish the high was 97s. in September and the low 83s. in May; for Dutch the respective figures were the same; for Baltic, they were 91s. in February and 80s. in May.

The prices for bacon other than Canadian for the period October to December are not definitely known, except so far as they relate to the Ministry of Food's selling prices. The average top prices for Canadian bacon during the final three months of the year were: October, 96s.; November, 100s.; December, 102s. per hundredweight. These figures indicate the average prices at which all Canadian bacon was requisitioned by the Ministry of Food. Bacon from all sources was sold by the importer on behalf of the Ministry of Food at 115s. per hundredweight during November and December.

HAMS

The imports of hams up to the end of July, 1939, exceeded by 66,459 hundredweights (15·8 per cent) those of the corresponding period in 1938. The Canadian supplies were 4,410 hundredweights (3 per cent) less, while the imports from the United States increased by 57,774 hundredweights (23 per cent). As in the case of bacon, total figures for the whole year no doubt would reveal a different situation, as Canada increased her shipments of hams during the latter weeks of the year in keeping with her increased supplies of bacon.

The following table shows the imports of hams for the period January to July for the years 1937, 1938 and 1939:—

Imports of Hams, January-July, 1937-39

	1937 Cwts.	1938 Cwts.	1939 Cwts.
Canada	201,534	143,701	139,291
Ireland	9,120	8,581	5,965
United States	172,878	251,670	309,444
Argentina	19,453	11,086	16,378
Brazil	140	458	570
Poland	1,502	552	10,096
Netherlands	67	578	667
Italy	112	110	150
Other foreign countries	170	136	770
Total Empire countries	210,654	152,282	145,256
Total foreign countries	194,322	264,590	338,075
Total all countries	404,976	416,872	483,331

CANADIAN BACON AGREEMENT

The agreement for the purchase of Canadian bacon provided, in brief, that the Ministry of Food shall undertake to purchase from the Canadian Government, through the Canadian Bacon Board, an average quantity of not less than 50,000 long hundredweights of Canadian bacon and hams per week from the date of coming into operation and terminating with shipments on or prior to October 31, 1940. It was understood that the Canadian Bacon Board should use its best endeavours to supply this quantity and that the Ministry of Food should accept additional quantities available within the limits of its needs and subject to freight being available. A complete schedule of prices was arranged to apply to arrivals on and after November 18, 1939. Additional details were included in the agreement to provide for such items as shrinkage, quality, claims, storage in Canada and terms of payment. In addition it was agreed that the subject of the renewal or revision of the agreement should be commenced not later than the month of August, 1940. Inasmuch as provision was made for the maintenance of pre-war standards of butchering, curing and grading, it is reasonable to assume that when the war is over Canadian bacon should have a somewhat firmer hold on the British market.

As under wartime control all bacon is requisitioned by the Ministry of Food and pooled for distribution, it follows that Canadian bacon will reach many retailers who have not handled it before. Therefore the maintenance, and if possible the improvement, of Canadian standards of quality are of the utmost importance.

CHILLED AND FROZEN PORK

Total imports of chilled and frozen pork into the United Kingdom during the first seven months of 1939 were 142,089 hundredweights (19 per cent) less than in the corresponding period in 1938. The following table gives details of the imports from the various exporting countries for the January-July period of 1937, 1938 and 1939:—

Imports of Chilled and Frozen Park, January-July, 1939

	1937 Cwts.	1938 Cwts.	1939 Cwts.
New Zealand	382,759	380,369	315,279
Australia	146,732	199,676	180,192
Canada	5,924	6,832	3,529
Kenya . . . . .	.....	.....	58
Argentina	82,574	120,681	67,542
United States	10,707	38,643	37,175
Brazil	3,200	4,818	5,044
Uruguay	143	346	357
Total Empire countries	535,415	586,877	499,058
Total foreign countries	96,624	164,488	110,218
Total all countries	632,039	751,365	609,276

CANNED AND TINNED PIG PRODUCTS

Imports of tinned and canned bacon and ham during the first seven months of 1939 totalled 43,272 hundredweights, showing a decrease of 3 per cent from 1938. Poland was the leading supplier with 15,971 hundredweights. Canada was second with 6,787 hundredweights, Denmark third with 6,750, and Germany fourth with 6,211 hundredweights. Imports of tinned pork tongues amounted to 57,665 hundredweights, of which the United States supplied 46,455 hundredweights.

POULTRY

Total imports of poultry of all kinds rose to 188,008 hundredweights in the seven months of 1939 as compared with 150,565 hundredweights in the corresponding period of 1938. Chickens, including fowls and old hens, accounted for 124,672 hundredweights of the 1939 total and turkeys for 27,890 hundredweights.

During the period Canada was the largest individual supplier of turkeys, providing 26·8 per cent of the total imports. Canada was the fourth most important supplier of chickens. Her share in this market amounted to 9·2 per cent of the total. In imports of all poultry Canada stood third with 11·2 per cent. In the corresponding period of 1938 she was fourth with only 5·36 per cent of the total imports.

Upon the outbreak of war it was announced that poultry imports would be subject to import licensing. Due to the necessity of conserving dollar exchange, restrictions were placed on the importations of Canadian poultry. Only 25 per cent by value of chickens were to be allowed and no turkeys, ducks, geese or canned poultry. Values were to be based on imports received during the twelve months ending August 31, 1939, and quotas were to be allotted to exporters rather than to countries. This order was to be effective until December 31, 1939. However, upon representation being made on behalf of Canadian exporters and importers the quota was raised to 50 per cent by value, effective from November 1, 1939, to May, 1940, the end of the normal shipping season.

Carry-over of all classes of turkeys at the end of 1939 was heavy and wholesale prices for best Irish had dropped from 1s. 10d. to 1s. 2d. per pound. Chickens, ducks, geese and fowl similarly experienced a rather stagnant position at the close of December. Canadian chickens offered were few in number, but were bringing 1s. 2d. to 1s. 4d. for Milk-fed B and Select B grades.

AUSTRALIA'S IMPORTS FROM THE SCANDINAVIAN AND BALTIC COUNTRIES

L. M. COSGRAVE, CANADIAN TRADE COMMISSIONER

Sydney, April 22, 1940.—The invasion of Denmark and Norway, the natural dislocation of trade with Sweden, and the virtual closing of the Baltic Sea will materially affect Australia's imports from all countries embraced in the Scandinavian-Baltic area.

Since the majority of commodities imported from that region are products which are not produced or obtainable in the Commonwealth, and are, to a large extent, included in the more important categories at present admissible under the Australian Customs (Import Licensing) Regulations, it will be necessary to obtain these supplies from other non-sterling sources.

The total trade with this important area amounted in the base year ended June 30, 1939, to a total of £2,394,750 (sterling), of which the total imports amounted to £1,752,754 (sterling) and exports to an approximate value of £600,000 (sterling). The relative importance of the Scandinavian and Baltic countries in Australian trade is shown in the following table, which gives the value of

Australia's imports from and exports to these countries in the twelve months ended June 30, 1939:—

	Total Trade £ Sterling	Imports £ Sterling	Exports £ Australian
Sweden	1,455,331	946,718	637,038
Norway	398,978	378,808	25,263
Finland	285,881	244,732	51,132
Denmark	161,184	103,373	72,408
Latvia	31,375	29,380	2,499
Estonia	31,221	26,178	6,316
Lithuania	30,780	23,565	9,037

SWEDEN

As will be noted, imports from Sweden constituted well over 50 per cent of the total imports from the Scandinavian and Baltic countries, and embraced a wide range of products which Canada may be called upon to supply. The values of the main imports of Swedish origin during the year ended June 30, 1939, together with the category of each under Australia's import licensing regulations, are shown in the following table:—

Principal Imports into Australia from Sweden

	£ Sterling	Category under Import Licensing Regulations
Pulp for paper making	163,549	A
Machines and machinery:		
Dairy implements and machinery	60,064	B, C and D
Electrical machinery and appliances	51,650	Various, mostly admitted
Ball and roller bearings	45,631	A
Other	92,782	Various
Metal, manufactures of:		
Iron and steel:		
Bar rod, etc.	16,731	B
Other	11,000	....
Lamps and lampware	15,497	50% C
Nails	2,396	Mostly B
Screws	5,100	C and D
Tools of trade	21,810	A
Other	33,442	C and D
Furniture	6,379	D
Timber:		
Dressed	4,343	B
Undressed	22,322	B
Other and wood manufactures	64,268	C and D
Paper:		
Boards	41,874	C
Fruit wrapping	4,495	B
Printing	52,284	A
Tissue and tissue cap	22,624	B
Wrapping	45,043	B and C
Writing and typewriting	12,567	B
Other	9,138	....
Stationery	2,053	50% C
Glass and glassware	8,786	D
Potassium salts	5,516	A and B
Pitch and tar	823	C
Matches and vestas	654	D
Vacuum cleaners	88,825	D
All other articles	35,072	....

It should be noted that all items classified under D category are prohibited importation into Australia and that A, B and C items are permitted entry under licence by importing firms on the basis of their imports during the base year ended June 30, 1939, and that such licences may be transferred from one non-sterling country to another.

NORWAY

Norwegian exports to Australia, although of less value than Sweden's and embracing fewer commodities, are composed of products which Canada can

more readily replace than other overseas sources of supply. The main items imported from that country into the Commonwealth during the base year (twelve months ended June 30, 1939) were as follows:—

Principal Imports into Australia from Norway

	£ Sterling	Category under Import Licensing Regulations
Fish—		
Preserved in tins	83,223	25% C
Other	4,161	....
Metal, manufactures of (ferro-manganese and ferrous alloys)	53,313	A
Oils (in bulk)	11,787	A
Ores	1,410	A and B
Paper—		
Fruit wrapping	1,380	B
Printing	37,951	A
Wrapping	19,527	B and C
Writing and typewriting	64,945	B
Other	15,636	....
Timber—		
Dressed	38,040	B
Undressed	307	B
Other, and manufactures of	142	....
Wood pulp	10,263	A
All other articles	36,723	....

FINLAND

Finland steadily increased her trade with Australia in the past few years. Total trade between the two countries, as indicated previously, was valued at £285,881 (sterling) in the year ended June 30, 1939. Of this total, Australia's imports from Finland, consisting chiefly of timber, pulp, paper and wood products, amounted in value to £244,732 (sterling).

DENMARK

Australia's imports from Denmark, valued at £103,373 (sterling) during the year ended June 30, 1939, are not classified separately, but they consisted mainly of dairy machinery, certain types of marine diesel engines and cryolite.

LATVIA, ESTONIA AND LITHUANIA

Imports into Australia from these three Baltic countries in the base year were valued at £29,380 (sterling), £26,178 (sterling) and £23,565 (sterling) respectively. Purchases from each have increased in recent years, shipments being composed chiefly of timber products for secondary Australian industries.

DETAILS OF IMPORTS

Following is a list of the principal items imported from the Scandinavian and Baltic countries that are of interest to Canadian manufacturers and exporters, showing the value of total imports of each and the value of imports from these countries in the year ended June 30, 1939. The items are listed according to their classification under the Australian Customs (Import Licensing) Regulations; those in category D, imports of which are prohibited from non-sterling countries, are shown merely to indicate the variety of products which have been imported from Scandinavian and Baltic countries:—

CATEGORY A—VERY IMPORTANT

Fuses, Mining, Electrical.—£5,545: Sweden, £1,008.
Chemicals, n.e.i.—£571,882: Denmark, £1,342; Sweden, £824.
Potassium Chlorate.—£17,024: Sweden, £4,846.
Sodium Nitrate.—£82,295: Norway, £955.

- Natural Dyes of Vegetable Origin.*—£7,498: Denmark, £739.
Surgical and Scientific Instruments: Barographs, Calorimeters, Thermostats, etc.—£49,827: Sweden, £2,386.
Surgical, Dental and Veterinary Instruments.—£59,138: Sweden, £782.
Paper, Printing: Newsprint in Rolls Over 10 Inches.—£1,932,466: Norway, £1,397; Sweden, £2,575.
Paper: Newsprint in Sheets of 20 by 25 Inches.—£75,343: Finland, £4,617; Norway, £941; Sweden, £1,048.
Pulp for Paper Making: Mechanical Wood Pulp.—£8,102: Finland, £7,022.
Wood Pulp, Chemical.—£310,610: Finland, £84,869; Norway, £10,201; Sweden, £163,549.
Cod Liver Oil, Refined not Compounded.—£16,085: Norway, £2,319.
Abrasive Wheels.—£57,314: Sweden, £804.
Motors Under 1 H.P. (not in Machine).—£171,931: Sweden, £1,521.
Dynamo Electric Machines, A.C. Induction Type.—£154,347: Denmark, £1,766; Sweden, £15,217.
Alternators.—£70,445: Sweden, £2,973.
Generators.—£15,619: Sweden, £4,373.
Match- and Box-making Machinery.—£3,357: Sweden, £2,445.
Metal-working Machinery, Chucks and Other Work Holders.—£22,612: Sweden, £3,343.
Drilling Machines.—£126,444: Sweden, £8,408.
Grinding Machines.—£118,730: Denmark, £778.
Steam Turbines.—£88,139: Sweden, £10,091.
Water Turbines, Parts.—£3,429: Sweden, £2,853.
Roller and Ball Bearings.—£214,112: Sweden, £45,631.
Files and Rasps.—£117,859: Sweden, £1,861.
Saws.—£36,245: Sweden, £777.
Ferro-Manganese.—£37,603: Norway, £20,946.

CATEGORY B—IMPORTANT

- Artificial Horn, Erinoid and Galalith.*—£12,834: Estonia, £1,098.
Paper, Greaseproof Wrapping and Imitations.—£98,731: Finland, £9,985; Norway, £16,004; Sweden, £21,558.
Paper, Tissue and Tissue Cap.—£91,938: Finland, £2,720; Norway, £10,716; Sweden, £22,624.
Paper, Printing, n.e.i., Glazed, Unglazed, Mill-glazed in Rolls Over 10 Inches.—£124,760; Finland, £2,599; Norway, £8,505; Sweden, £12,859.
Paper, Printing, n.e.i., in Sheets 20 by 25 Inches.—£577,765: Finland, £21,128; Norway, £27,108; Sweden, £35,802.
Fruit Wrapping Paper.—£56,305: Finland, £1,744; Norway, £11,164; Sweden, £4,495.
Rosin.—£72,252: Sweden, £622.
Seeds, Other.—£142,347: Denmark, £4,272; Latvia, £449.
Oils, Unrefined.—£26,938: Norway, £7,996.
Cream Separators.—£88,752: Denmark, £1,427; Sweden, £47,605.
Dynamo Electric Machines, Variable Commutator Type.—£10,949: Sweden, £2,138.
Current Limit Reactors, Automatic Voltage Regulators, Etc.—£38,996: Sweden, £2,805.
Induction Type Relays.—£23,986: Sweden, £4,037.
Iron and Steel, n.e.i.—£250,546: Norway, £794; Sweden, £15,458.
Ferrous Alloys, n.e.i.—£83,903: Finland, £2,703; Norway, £31,120; Sweden, £6,256.
Horseshoe Nails.—£10,294: Sweden, £2,211.
Axles and Axle-boxes, Roller and Ball-bearing, and Parts.—£12,518: Sweden, £2,006.
Timber Undressed, n.e.i., for Manufacture of Boxes.—£282,731: Sweden, £4,056.
Timber Dressed for Making Boxes Cut to Size.—£122,261: Finland, £2,945; Norway, £3,412; Sweden, £16,965.
Writing and Typewriting Paper.—£497,602: Finland, £31,098; Norway, £64,945; Sweden, £12,567.

CATEGORY C—LESS IMPORTANT

- Watch Movements, n.e.i.*—£162,226: Sweden, £539.
Paper Manufactures, n.e.i.—£85,514: Sweden, £1,448.
Cigarette Tubes, Paper and Papers.—£66,307: Finland, £525.
Paper, n.e.i.—£47,487: Norway, £543; Sweden, £4,220.
Caps, Casings, Sealings, Candle, Carton and Wrappings, n.e.i.—£41,005: Finland, £422; Norway, £1,344; Sweden, £14,580.
Mill-glazed Sulphites.—£31,095: Finland, £4,047; Norway, £1,475; Sweden, £4,737; Estonia, £1,305.
Kraft Wrapping Paper.—£2,946: Sweden, £2,049.
Surface-coated Papers.—£54,756: Sweden, £1,155.
Roofing and Sheathing Felts.—£1,374: Sweden, £560.
Filter Paper.—£15,442: Sweden, £647.

- Electric Insulating Paper.*—£31,524: Sweden, £1,083.
Cover Paper.—£13,121: Finland, £741.
Cartridge Paper, Offset and Drawing.—£16,774: Finland, £427; Norway, £994; Sweden, £595.
Other Boards, Paper.—£230,492: Latvia, £1,070; Finland, £23,103; Norway, £2,719; Sweden, £40,252.
Herrings, Tinned, (25 per cent D).—£110,492: Norway, £7,042.
Sardines (25 per cent D).—£145,578: Norway, £76,080; Sweden, £592.
Other Tinned Fish.—£51,095: Norway, £1,916.
Smoked or Dried Fish.—£18,845: Norway, £817.
Raw Furs.—£252,701: Norway, £22,401; Sweden, £1,672.
Flax.—£16,189: Latvia, £1,144.
Cryolite.—£10,429: Denmark, £3,367.
Felspar.—£1,843: Norway, £702; Sweden, £1,043.
Granite, Rough.—£4,336: Finland, £2,774; Norway, £287; Sweden, £1,136.
Adding and Computing Machines.—£157,196: Sweden, £9,314.
Cash Registers (50 per cent D).—£87,922: Sweden, £1,244.
Milking Machines.—£45,318: Sweden, £11,639.
Dynamo Electric Machines, Other.—£114,332: Sweden, £2,689.
Motors for Gearless Lifts.—£7,036: Sweden, £1,574.
Switchboards, n.e.i.—£144,272: Sweden, £878.
Mowers, Agricultural (Replacement Parts C; Remainder 25 per cent D).—£25,086: Sweden, £4,796.
Agricultural Implements, n.e.i.—£15,222: Sweden, £2,069.
Motive Power Machinery (Not Electric) (Over 12 H.P.).—£30,682: Sweden, £988.
Saws (Band Saws, Spares).—£3,757: Sweden, £430.
Lamps, Lampware and Lanterns.—£133,107: Sweden, £4,529.
Oil or Spirit Heating Lamps (Kerosene Room Heaters D, Remainder 25 per cent D).—£30,405: Sweden, £9,591.
Tools of Trade, All Other.—£574,016: Sweden, £16,987.
Manufactures of Metal, n.e.i., Other Than Brass, Bronze and Gun Metal.—£804,686: Sweden, £6,574.
Timber, Dressed or Moulded, n.e.i.—£4,989: Norway, £2,193; Sweden, £646.
Timber, Tongued or Grooved, Tongued and Grooved and Weatherboards.—£36,502: Norway, £32,375; Sweden, £3,697.
Timber, Undressed in Sizes Less Than 7 by 2½ Inches, Other Than Douglas Fir.—£249,549: Finland, £11,042; Sweden, £22,639.
Timber, 7 by 2 Inches and Upwards, Undressed.—£77,959: Norway, £191; Sweden, £4,180.
Spray Guns for Paints, Varnishes, Etc.—£2,720: Sweden, £1,670.
Rennet for Cheese Making.—£4,891: Denmark, £302.
Rennet, Other.—£22,172: Denmark, £13,574.

CATEGORY D—UNIMPORTANT

- Wall and Ceiling Parts.*—£62,223: Finland, £5,841; Sweden, £3,456.
Matches, Wood.—£2,228: Finland, £1,677.
Vacuum Cleaners, Non-electric, Household.—£185,539: Sweden, £88,315; Denmark, £663.
Insecticides.—£21,755: Sweden, £760.
Arsenic, White.—£4,425: Sweden, £1,745.
Fishing Appliances.—£30,281: Norway, £4,091.
Strawboard, Lined.—£8,073: Finland, £1,368; Sweden, £1,632.
Mustard.—£19,540: Denmark, £638.
Waddings and Cotton Wool.—£10,215: Sweden, £606.
Churns and Cheese Presses.—£4,114: Denmark, £350; Sweden, £820.
Floor Polishers and Human Hair Dryers.—£13,814: Sweden, £3,696.
Telephone Switchboards and Appliances.—£942,931: Sweden, £2,067.
Refrigerators, Electrical, Parts, Etc.—£50,835: Sweden, £9,910.
Sugar-making Machinery.—£10,415: Sweden, £3,515.
Enamelled Ware.—£44,677: Sweden, £11,018.
Hinges of All Kinds.—£15,343: Sweden, £6,306.
Hoop Iron.—£174,776: Sweden, £1,109.
Plated Ware and Cutlery.—£381,771: Sweden, £4,228.
Screws for Wood, n.e.i.—£12,575: Sweden, £4,852.
Articles of Wood, n.e.i.—£74,645: Sweden, £6,375.
Articles of Wood, n.e.i., Sashes, Screws, Wood Pulleys, Bungs, Etc.—£155,325: Finland, £14,585; Latvia, £25,094; Lithuania, £23,176; Sweden, £36,904.
Glassware, Other Than Cut.—£90,634: Sweden, £3,692.
Glassware, n.e.i., Cut.—£189,689: Sweden, £4,839.
Lamp Chimneys of Glass.—£7,057: Sweden, £889.

VARIOUS CATEGORIES

Pasteurizers: 50 per cent C, 50 per cent D.—£62,858: Denmark, £1,801.
Measuring and Recording Instruments: A and D.—£154,836: Sweden, £1,169.
Planing and Shaping Machines.—£36,214: Sweden, £1,026.
Paper-making Machinery.—£128,690: Sweden, £6,055.
Wood-working Machinery, n.e.i.: B and C.—£52,507: Sweden, £3,881.
Machinery, n.e.i.—£1,077,533: Sweden, £10,084; Denmark, £2,112; Finland, £428.
Axes, Hatchets, Adzes, Etc.: A and C.—£44,294: Denmark, £587; Sweden, £2,113.
Air and Gas Compressors and Exhausters: B and C.—£96,719: Sweden, £1,034.

FOREIGN TRADE OF BELGIUM, 1939

YVES LAMONTAGNE, CANADIAN COMMERCIAL ATTACHÉ

(The average value of the Belgian franc in 1939 was 3·52 cents Canadian as compared with 3·39 cents in 1938.)

Brussels, April 3, 1940.—The value of imports into the Belgo-Luxembourg Economic Union¹ during 1939 totalled 19,831,100,000 francs (about \$696,940,000) as compared with 23,069,160,000 francs in 1938 and 27,892,782,000 francs in 1937. These figures include the cost of transport and insurance to Belgium.

The value of exports increased slightly to 21,782,839,000 francs (about \$765,520,000) as against a total of 21,670,448,000 francs for 1938. The total for 1937 was 25,516,225,000 francs. These values are f.o.b. Belgian frontier.

As compared with an unfavourable balance amounting to 1,442,554,000 francs in 1938, the balance of trade last year was favourable by 1,951,739,000 francs (approximately \$68,600,000).

Despite the quantitative reduction in Belgium's foreign trade during 1939, resulting from the outbreak of the war in Europe at the beginning of September last, Belgium's exports were practically on the same scale as in 1938, as decreases in certain categories of goods have been compensated by greater exports of metal manufactures. On the other hand, imports show a decrease of 5 per cent in weight and of 14 per cent in value.

The following table shows the main trend of Belgium's imports and exports during the last three years:—

	Imports		Exports		
	1937	1938	1939	1937	1938
			Millions of Francs		
Live animals.	36	28	23	67	53
Foodstuffs and beverages .	5,419	4,677	4,009	1,363	1,131
Raw materials.	15,869	12,557	10,752	11,251	9,780
Manufactured goods . . .	6,162	5,335	4,641	12,523	10,461
					11,097

TRADE BY COMMODITY GROUPS

Belgium is a densely populated country possessing limited natural resources and is obliged to import a considerable part of its requirements in foodstuffs; these are paid for by the export of manufactured goods which are very largely the result of the local processing of imported raw materials. The backbone of Belgium's industrial structure is its steel industry, which is fed by iron ore which is imported and by coal which is mainly produced locally.

This situation is reflected in the table below, which shows that the main categories of imports are agricultural products, raw minerals and metals, wood, and raw textile products.

Exports, on the other hand, consist chiefly of manufactures of common metals, glass, textiles, fertilizers and other chemical products, as well as diamonds for industrial and other uses.

¹ Belgium and the Grand Duchy of Luxemburg form a single unit for customs purposes. The populations are respectively about 8,350,000 and 365,000.

Trade of Belgium in 1939 by Main Groups

	Imports	Exports	Balance
	Thousands of Francs		
Living animals and products of the animal kingdom	2,055,181	1,756,453	— 298,728
Products of the vegetable kingdom	4,873,208	1,616,836	— 3,256,372
Mineral products	4,350,962	2,560,773	— 1,690,189
Products of the food-preparing industries, beverages and tobacco	1,060,109	409,959	— 650,150
Chemical and pharmaceutical products, fertilizers, etc.	898,048	1,553,796	+ 655,748
Skins, hides and leather, furs and articles thereof	130,704	407,188	+ 276,484
Textile materials and fabrics	603,820	2,394,578	+ 1,790,758
Clothing, lingerie, hosiery, etc.	153,216	229,293	+ 76,077
Wood, cork and articles thereof	606,362	144,933	— 561,429
Rubber and manufactures thereof	64,773	106,314	+ 41,541
Paper and products	561,653	335,008	— 226,645
Precious stones, stoneware, pottery	269,131	1,262,623	+ 993,492
Glass and glassware	40,308	501,037	+ 460,729
Metals and manufactures thereof	2,165,092	6,245,902	+ 4,079,810
Machinery and apparatus, and electrical material	1,048,518	1,152,630	+ 104,112
Vehicles other than for railways	562,082	430,685	— 131,397
Clockware, scientific and precision instruments	88,264	9,976	— 78,288
Arms and ammunition	34,485	250,851	+ 216,366
Miscellaneous products	265,184	414,004	+ 148,820
Total	19,831,100	21,782,839	+ 1,951,739

As regards imports, the only increases in 1939 occurred in the following categories: chemical and pharmaceutical products, stones and products and arms and ammunition. The main categories showing decreases were: animals and products, products of the vegetable kingdom, minerals, metals and products, machinery, wood and products, vehicles other than railway, textile products, prepared foodstuffs and beverages, hides and leather, paper and products, clothing, lingerie, hosiery.

With respect to exports, the chief increases were in metals and products, textile products, chemical and pharmaceutical products, and vehicles other than railway. The principal categories showing decreases were products of the vegetable kingdom, minerals, animals and products, machinery, prepared foodstuffs, rubber and products, and stoneware, including diamonds.

TRADE IN PRINCIPAL PRODUCTS

The following is a list of the principal items in Belgium's foreign trade during the past year, together with the values in thousand of francs for both imports and exports, figures for the latter being shown within parentheses:—

LIVE ANIMALS

Horses, 8,663 (47,675); bovines, 9,896 (226); poultry, 1,239 (3,008).

FOODSTUFFS AND BEVERAGES

Cereals, including rice, total, 1,974,429 (71,470); wheat, 987,679 (32,728); maize, 451,188 (8,588); barley, 272,823 (3,260); rye, 138,844 (384); oats, 20,567 (41); rice, 78,399 (18,115).

Wheat flour, 3,862 (4,927); malt, 26,768 (11,206); macaroni and similar products, 6,690 (2,888); oatmeal and semolina, 7,033 (1,779).

Vegetables, fresh, 73,628 (82,926); potatoes, 61,442 (4,423); dry pulse, 60,377 (43,657); hops, 49,479 (8,504).

Fruits, fresh: apples, 34,033 (15,449); other, 152,870 (25,894).

Fruits, dried, 49,944 (754); nuts, 35,560 (235).

Canned fruits, 26,700 (3,820); canned vegetables, 25,426 (31,511).

Meats, fresh, 101,161 (20,686); meats, prepared, 28,336 (10,416); canned milk, 22,342 (4,770); butter, 11,457 (270); cheese, 181,436 (1,453); lard, 26,000 (911); edible animal fats, 10,866 (3,802); fish, fresh or frozen, 35,217 (26,106); fish, dried, salted or smoked, 35,177 (3,242); fish, canned, 72,147 (10,172); shell-fish, fresh or salted, 24,369 (3,668); poultry eggs, 4,866 (58,764); eggs, preserved, 6,799 (2,397); honey, 4,894 (61).

Coffee, 242,262 (1,866); cocoa, raw, 64,204 (341); cocoa, prepared, including chocolate, 54,383 (13,707); sugar, raw, 100,648 (nil); sugar, refined, 51,917 (149,571); wine, 114,933 (7,602); beer, spirits and liqueurs, 17,422 (2,429).

MATERIALS, RAW OR SIMPLY PREPARED

Metallic minerals, total, 1,144,575 (251,502): iron ore, 479,574 (56,170); zinc ore, 147,272 (15,529); lead ore, 134,423 (7,675); copper ore, 12,027 (201); tin ore, 122,659 (11,178); manganese ore, 25,678 (1,533); molybdenum ore, 39,253 (79,842).

Common metals: pig iron, 94,206 (69,668); ferro-alloys, 15,587 (193); scrap iron, 29,349 (203,075); iron and steel in ingots, 11,461 (370,656); special alloys, 23,777 (12,432); copper, raw and scrap, 879,643 (862,318); lead, raw, 27,326 (169,065); zinc, raw, 29,778 (265,061); tin, 52,885 (192,544); nickel, raw, 29,497 (7,677).

Minerals, non-metallic: diamonds and other precious stones, rough or simply worked, 903,899 (287,850); coal, 601,544 (818,109); briquettes, 49,638 (76,345); coke, 425,707 (336,547); petroleum, crude, 71,326 (20); cement, 2,101 (175,519); gypsum, 7,516 (330); asbestos, 36,423 (3,198); silver in ingots or bars, 690 (114,604).

Textiles: wool in the grease or scoured, 844,590 (610,138); wool, combed, 139,647 (286,401); wool waste, 77,250 (165,647); cotton, raw, 575,865 (171,353); lintens, 5,470 (702); waste, 24,901 (21,300); flax and tow, 229,928 (758,646); jute, 99,918 (12,033); hemp, 69,068 (38,198); silk, raw, 2,535 (nil); rags, 40,267 (121,335).

Hair, hides, furs: hides and skins, raw, 215,072 (129,168); simply tanned, 78,943 (242,009); animal hair, 19,088 (174,372); furs, raw, 169,546 (102,162); furs, prepared, 18,664 (46,416).

Fertilizers, raw, natural, 292,968 (142,851); fertilizers, chemical, 269,124 (728,697); bones, raw, 53,949 (316); ossein, nil (55,669).

Wood: pulpwood, 17,289 (nil); mining timber, 51,724 (2,364), other round timber, 54,058 (25,907); railway ties, 16,104 (1,231); sawn lumber, coniferous, 307,856 (1,790); other, 41,211 (11,022); wood-pulp, 167,817 (6,633).

Oilcake, 275,258 (33,400); bran, 101,006 (3,129); fish meal and meat meal, 18,321 (3,642); linseed, 156,354 (6,616); other oil-seeds and nuts, 205,109 (4,748); vegetable oils and fats, 94,076 (51,285); animal fats for industrial use, 5,285 (2,334); bone and wool grease, 3,608 (4,136); fish oils and fats, 47,757 (1,477).

Rubber, raw, 112,689 (14,685); tobacco, raw, 147,452 (232).

MANUFACTURED GOODS

Iron and steel wire, bars, rails and sheets, 163,164 (2,835,376); tubes, 33,175 (104,332); structural frames, 2,938 (63,491); sheet iron manufactures, 27,512 (57,552); farm and garden tools, 4,905 (3,996); other tools, 38,040 (8,077); other manufactures of iron and steel, 62,568 (279,047).

Boilers and heaters, 11,315 (19,932); steam engines without their boilers, 51,939 (12,571); internal combustion engines, 364,848 (10,735).

Automobiles, 67,107 (174,805); chassis, 22,945 (96,908); bodies and parts, 22,006 (16,144); bicycles, motorcycles and parts, 27,306 (35,046); steam locomotives and tenders, 13,323 (6,387); railway and tramway cars, 109 (139,577).

Electric motors, transformers, 62,089 (52,760); batteries and accumulators, 10,129 (6,273); radios, 35,212 (31,341); telephone and telegraph apparatus, 4,647 (122,127); wire and cables, 15,449 (127,785).

Machine tools, 58,138 (79,630); agricultural machinery, 39,748 (20,584); textile machinery, 61,192 (44,554); other machinery, 211,936 (129,403); parts of machinery and accessories, 202,906 (236,842).

Scientific instruments and apparatus, 65,955 (11,296); musical instruments, 11,074 (2,308); clockware, 30,680 (2,566).

Arms and ammunition, 49,977 (298,073); explosives and detonators, 21,320 (23,838); matches, 73 (46,503).

Copper, bars, wire, sheets, tubes, 28,878 (35,628); other manufactures of copper, 21,047 (29,131); aluminium bars, wire, sheets, tubes, 13,720 (21,938); other manufactures of aluminium, 6,802 (4,884); manufactures of lead, 680 (17,940); zinc in sheets, bars, etc., 1,050 (114,682); other manufactures of lead, 2,561 (909); tin sheets and manufactures, 1,663 (4,218); manufactures of nickel, 32,410 (8,143).

Plate glass, 424 (121,883); window glass, 831 (189,442); other glassware, 39,053 (189,712). Earthenware bricks, tiles, pipes, 4,628 (16,318); refractory products, 37,646 (17,345); faience and porcelainware, 11,820 (6,837); other stoneware and pottery, 15,495 (30,573).

Yarns, woollen, 71,712 (420,779); yarns, cotton, 75,877 (221,169); flax, hemp, jute, 74,498 (151,252); silk, natural, 11,584 (5,395); silk, artificial, 41,670 (99,848); cordage, 951 (47,929).

Fabrics: woollen, 61,008 (129,981); cotton, 54,326 (487,523); flax, hemp, jute, etc., 2,079 (225,449); silk, 83,151 (24,456); carpets, 5,118 (251,302); hosiery, 59,469 (88,621); women's dresses, 13,958 (7,602); men's clothing, 5,102 (12,066); haberdashery, 12,270 (19,736); bags and covers, 30,308 (30,054).

Wooden furniture, 5,431 (16,512); plywood, 49,328 (15,396).

Wallpaper, 5,628 (11,608); newsprint, 40,449 (321); common wrapping paper, 1,372 (9,561); other paper in rolls or sheets, 124,663 (132,404); paper, sensitized, 2,108 (29,897).

Films and plates, photographic, 9,031 (100,146).

Rubber boots and shoes, 16,130 (217); automobile tires, outer casings, 14,019 (63,388); inner tubes, 1,893 (7,052); other rubber goods, 49,283 (35,879).

Furs, prepared, 1,066 (1,189); leather boots and shoes, 17,033 (13,716); leather gloves, 15,668 (43,942); other leather goods, 8,422 (64,266).

Perfumery and cosmetics, 26,101 (1,506); tanning materials, 23,381 (7,281); coal tar dyes, 114,900 (14,284); earths and other colouring materials, 32,028 (119,477); colours, paints, varnishes, inks, 41,404 (18,618); acids, 21,839 (74,038); other chemicals and products, 298,218 (554,441); pharmaceutical preparations, 82,901 (21,948).

Starch, 24,782 (43,499); casein, 6,958 (2,570); gelatine, 12,256 (16,002); glues, dextrine, 18,741 (56,493).

Gasoline, 197,328 (5,068); gas oil and fuel oil, 141,376 (68,889); lubricating oil, 213,083 (110,645).

Cigars and cigarettes, 12,980 (25,598).

DISTRIBUTION OF TRADE BY COUNTRIES

It should be borne in mind that the figures given in statistics of foreign trade pertaining to imports and exports by countries are considerably affected by the transit trade. When goods are shipped via another country where they are warehoused before being re-shipped to their final destination, they are likely to lose their real origin in statistics. In such cases the shipping documents and customs declarations often do not mention the initial country of shipment and state only the country where the goods were transhipped. The statistics, therefore, broadly refer to countries whence or to which the goods were consigned and not the countries in which they are produced or consumed.

The following table shows the distribution of Belgium's foreign trade in 1938 and 1939 with thirty-four countries listed in order of importance on the basis of imports in 1939:—

	Imports		Exports	
	1938	1939	1938	1939
	Thousands of Francs			
France	3,310,803	3,075,938	3,324,065	2,862,359
Germany	2,599,152	2,362,761	2,648,374	1,997,780
United States	2,488,588	1,960,650	1,442,740	1,881,622
Holland	2,074,848	1,869,683	2,609,770	3,443,444
Belgian Congo	1,933,811	1,622,567	409,540	371,261
United Kingdom	1,835,122	1,617,511	2,972,690	3,022,118
Argentina	951,080	1,255,630	686,729	775,114
Australia	650,184	510,835	122,488	109,911
British India	596,785	407,722	356,675	333,521
Sweden	459,964	370,200	576,276	858,031
Canada	314,118	306,261	187,343	206,687
Brazil	328,093	278,165	265,899	260,358
Poland-Dantzic	283,834	261,322	293,880	202,384
Switzerland	276,250	261,231	538,335	906,929
Russia	783,383	253,698	441,152	148,256
Finland	233,939	221,887	218,771	251,423
Norway	184,091	217,893	278,807	398,036
South African Union	211,346	189,537	411,916	293,376
Italy	217,100	186,344	250,784	263,954
Roumania	123,568	146,935	123,242	777,595
Czecho-Slovakia	239,000	134,134	189,249	77,388
Dutch East Indies	143,174	127,707	171,102	217,166
Yugoslavia	141,846	112,366	57,247	78,796
Denmark	115,430	105,178	161,464	161,511
Mexico	161,699	92,481	38,299	41,652
Cuba	140,853	86,939	29,392	29,657
Portugal	85,854	83,588	186,354	209,064
Japan	101,328	76,708	126,715	148,681
Egypt	63,998	64,331	256,809	229,898
New Zealand	50,324	42,235	35,395	34,643
Spain	80,388	41,195	240,132	140,081
China	37,801	23,905	221,078	183,582
Newfoundland	12,253	13,802	2,018	583
Ireland	11,245	5,160	135,277	114,442

The seven most important sources of supply for imports into Belgium are France, Germany, the United States, Holland, the Belgian Congo, the United Kingdom, and Argentina. In 1939 there was a decrease in the imports from each of these countries except Argentina. Exports to Holland increased considerably last year, and this country replaced France as the leading market for Belgian

goods, while an advance in Belgian exports to Great Britain and a substantial reduction in exports to France placed these countries in second and third place, with Germany and the United States ranking respectively fourth and fifth among the leading purchasers from Belgium.

Belgium's favourable balance of trade with the United Kingdom increased from 1,137,568,000 francs in 1938 to 1,404,607,000 francs in 1939, while its favourable balance with Holland increased from 534,922,000 francs to 1,573,751,000 francs. The balance of trade with France, which was favourable by 13,262,000 francs in 1938, became unfavourable by 213,579,000 francs last year despite considerably reduced imports from that country.

Belgium's balance of trade with Germany, which was favourable by 49,222,000 francs in 1938 was turned into an unfavourable balance of 364,981,000 francs last year through decreased exports from Belgium to Germany.

Belgium's unfavourable balance of trade with the United States, which amounted to 1,045,848,000 francs in 1938, was reduced to 79,028,000 francs last year as a result of decreased imports from and increased exports to the American republic. Belgium's unfavourable balance with Canada decreased from 126,775,000 francs in 1938 to 99,574,000 francs last year.

The following table shows Belgium's unfavourable balance of trade with the leading suppliers of wheat during each of the past three years and for the three-year period:—

	1937	1938	1939	1937-39
		Thousands of Francs		
Australia.. . . .	768,114	527,696	400,924	1,696,734
United States	458,976	1,045,848	79,028	1,583,842
Argentina	819,243	264,351	480,416	1,564,010
Russia.. . . .	299,499	342,231	105,442	747,172
Canada	389,434	126,775	99,574	615,783
Roumania	286,280	346	69,340	355,966

CONDITIONS IN BULGARIA IN 1939

HENRI TURCOT, CANADIAN TRADE COMMISSIONER

(The average value of the lev was approximately \$0.0121 Canadian from January to September, 1939.)

Cairo, April 18, 1940.—Owing to favourable crops and a rise in prices after the outbreak of war, Bulgarian economy showed progress in 1939. There was an increase in internal and external trade, an expansion in industrial production, a rise in railway freight traffic, an increase in currency circulation and in the gold and foreign exchange held by the National Bank, and a rise in treasury receipts. On the whole, the past year was a good one for Bulgaria.

AGRICULTURE

Most crops showed increased yields in 1939 as compared with 1938. This was particularly the case with cereals, tobacco and grapes. The fruit and vegetable crops generally were abundant. The cotton crop, owing to a larger acreage, was more important; the yields of rose oil and silk cocoons, it is estimated, produced larger returns than in the preceding year. A rise in prices of agricultural produce in the latter part of the year exercised a beneficial influence on the national economy, in which agriculture plays an important rôle.

INDUSTRY

Bulgarian industry, the output of which is largely destined for the home market, made continued progress until the end of October, when a recession set in as a result of difficulties in obtaining raw materials. The charcoal and tobacco industries, however, showed favourable developments throughout the year.

PRICES

The general level of wholesale prices in Bulgaria was adversely affected by the falling-off in prices of agricultural produce during the first part of the year. Prices advanced during the latter part, the upward movement being quite marked towards the end of the year. The result was that in December the average wholesale price index (1926=100) reached 77·7 as against 74·6 in December, 1938.

Retail prices also showed an advance in December, 1939, as compared with the corresponding month of the previous year.

INTERNAL TRADE

As indicated by the increase in railway freight traffic, which rose from 5,519,000 tons in 1938 to 5,744,000 tons in 1939, and by larger returns from the business tax and stamp tax, domestic trade was more active and larger than in 1938.

FOREIGN TRADE

Bulgaria's foreign trade showed a substantial increase in 1939. Exports rose in value from 5,578 million leva in 1938 to 6,065 million leva and imports from 4,934 to 5,197 million leva. The favourable balance of trade thus increased from 644 to 868 million leva.

The principal increases in exports were in shipments of wheat, oleaginous seeds, tobacco, hides and skins, and certain fruits. In imports, the chief increases were in mineral oils, raw materials for the manufacture of paper, railroad equipment, and machinery.

Trading destinations of Bulgarian exports in 1939 and 1938 respectively were: Germany, 67·8 and 58·9 per cent of total exports; Italy, 6·1 and 7·6 per cent; United Kingdom, 3·1 and 4·8 per cent; United States, 3·4 and 3·4 per cent. Principal sources of supply were: Germany, 65·5 and 52·0 per cent of total imports; Italy, 6·8 and 7·5 per cent; United Kingdom, 2·8 and 7·1 per cent; United States, 2·3 and 2·7 per cent; Poland, 5·7 and 5·6 per cent; Roumania, 4·0 and 3·5 per cent; France, 1·2 and 3·7 per cent; Switzerland, 1·8 and 2·2 per cent.

TRADE WITH CANADA

According to the figures issued by the Dominion Bureau of Statistics, Canada's imports from Bulgaria were valued at \$2,669 in 1939 as against \$353 in 1938, and Canadian exports to that country at \$8,037 as compared with \$8,568.

INCREASED YUGOSLAV EXPORTS

A. B. MUDDIMAN, CANADIAN TRADE COMMISSIONER

(One dinar was approximately equal to \$0·025 Canadian during the period covered by this report.)

Milan, April 30, 1940.—The National Bank of Yugoslavia has just issued statistics of the export trade of Yugoslavia in the months of January and February of the present year. These show an outstanding increase in Yugoslav exports and an extraordinary improvement in the foreign trade balance of Yugoslavia.

Exports for January amounted to 244,251 tons valued at 624 million dinars as against 184,976 tons valued at 319 million dinars in January, 1939. Thus there was an increase of 32 per cent in weight and 95 per cent in value of exports in January as compared with the same month last year. In February exports amounted to 283,286 tons valued at 627 million dinars as against 218,020

tons valued at 314 million dinars in February, 1939. Here again there was an increase of 30 per cent in weight and 84·7 per cent in value.

Imports showed a reduction of 25 per cent in weight but an increase of 16 per cent in value for the first two months of the present year as compared with the first two months of 1939.

For the two months there was a favourable trade balance to the value of 343 million dinars. During the same period in 1939 there was an unfavourable trade balance of 122 million dinars.

Exports from Yugoslavia to principal countries in January and February in millions of dinars, with figures for the corresponding period of 1939 within parentheses, were as follows: Germany, 521·4 (197·6); Italy, 162·2 (54·3); France, 120·2 (17·1); England, 61·2 (50); Hungary, 38·8 (34·6).

Imports into Yugoslavia from principal suppliers in the two months, in millions of dinars, were: Germany, 385·7 (306·9); Italy, 153 (99); France, 4·2 (25·7); England, 30·2 (54·6); Hungary, 22·3 (25·1).

The noteworthy feature of these figures is the large increase in Yugoslav exports to Germany, Italy, and France. There were considerable increases in Yugoslav imports from Germany and Italy, but these increases were in no way commensurate with the rise in exports in those countries.

FOREIGN TRADE OF EGYPT IN 1939

HENRI TURCOT, CANADIAN TRADE COMMISSIONER

[One Egyptian pound (£E.) equals approximately \$4.58 Canadian]

Cairo, April 16, 1940.—Official statistics indicate that in 1939 Egypt's imports and exports were valued respectively at £E.34,090,716 and £E.34,080,913, as compared with £E.36,934,373 and £E.29,342,485 in 1938. There was, therefore, a decrease of £E.2,843,657 in imports, an increase of £E.4,738,428 in exports, and a deficit of £E.9,803 in the balance of trade as against a deficit of £E.7,591,888 in the preceding year.

A summary of the foregoing figures in tabular form is as follows:—

Egypt's External Trade

	Imports £E.	Exports £E.	Trade Balance £E.
1939	34,090,716	34,080,913	— 9,803
1938	36,934,373	29,342,485	— 7,591,888
Inc. or dec. in 1939 . . .	— 2,843,657	+ 4,738,428	— 7,582,085

Broadly speaking, the war was largely responsible for the decline in imports; favourable prices of cotton during the latter part of the year may account for the rise in the value of exports.

TRADE BY COMMODITY GROUPS

The appended tables show the values of Egypt's imports and exports in 1939 and 1938 by commodity groups, twenty-one in number, according to Egyptian official statistics:—

Imports into Egypt by Commodity Groups

	1939 £E.	1938 £E.	Inc. or Dec. £E.
Total	34,090,716	36,934,373	— 2,843,657
Living animals and products of the animal kingdom	569,775	844,013	— 274,238
Products of the vegetable kingdom	2,125,061	2,483,632	— 358,571
Animal and vegetable fatty substances, greases, oils and waxes and alimentary fats	401,390	576,312	— 174,922

	1939 £E.	1938 £E.	Inc. or Dec. £E.
Products of the food preparing industries, beverages, alcoholic liquors, vinegar and tobacco	2,288,214	2,283,576	+ 4,638
Mineral products	4,810,199	4,582,892	+ 227,307
Chemical and pharmaceutical products, colours, varnishes, perfumery, soap, candles, glue, gelatine, explosives and fertilizers	4,596,003	4,829,760	— 233,757
Skins, hides, leather, furs and articles thereof	223,989	301,017	— 77,028
Rubber and manufactures thereof	282,747	292,079	— 9,332
Wood, cork, articles thereof and articles made of plaiting materials	1,433,745	1,730,493	— 296,748
Paper and its applications	931,015	1,037,014	— 105,999
Textile materials and textiles	5,621,703	7,037,999	— 1,416,296
Footwear, hats, tarbooshes, umbrellas, parasols and sticks; articles of fashion	92,509	124,461	— 31,952
Wares of stone and other mineral ma- terials, pottery, glass and glassware . .	459,643	520,380	— 60,737
Precious metals, pearls, precious stones, and coins	642,794	546,743	+ 96,051
Common metals and manufactures thereof	3,820,175	3,838,592	— 18,417
Machinery and apparatus and electric material	2,527,494	2,687,854	— 160,360
Means of transport	1,449,636	2,020,498	— 570,862
Scientific and precision instruments and apparatus; horological wares and musical instruments	590,567	478,834	+ 111,733
Arms and ammunition	874,439	266,800	+ 607,639
Miscellaneous goods and products, not elsewhere included	339,110	428,943	— 89,833
Works of art and articles for collections	10,508	22,481	— 11,973

Exports from Egypt by Commodity Groups

	1939 £E.	1938 £E.	Inc. or Dec. £E.
Total	34,080,913	29,342,485	+ 4,738,428
Living animals and products of the animal kingdom	303,778	233,326	+ 70,452
Products of the vegetable kingdom	3,742,537	3,729,214	+ 13,323
Animal and vegetable fatty substances, greases, oils and waxes and alimentary fats	389,059	231,596	+ 157,463
Products of the food preparing industries, beverages, alcoholic liquors, vinegar and tobacco	1,540,353	1,327,195	+ 213,158
Mineral products	699,535	616,872	+ 82,663
Chemical and pharmaceutical products, colours, varnishes, perfumery, soap, candles, glue, gelatine explosives and fertilizers	581,494	452,389	+ 129,105
Skins, hides, leather, furs and articles thereof	240,712	213,612	+ 27,100
Rubber and manufactures thereof	511	1,089	— 578
Wood, cork, articles thereof and articles made of plaiting materials	15,820	10,845	+ 4,975
Paper and its applications	93,475	103,947	— 10,472
Textile materials and textiles	24,736,918	21,543,832	+ 3,193,086
Footwear, hats, tarbooshes, umbrellas, parasols and sticks; articles of fashion	4,238	3,225	+ 1,013
Wares of stone and other mineral ma- terials, pottery, glass and glassware . .	1,947	2,887	— 940
Precious metals, pearls, precious stones and coins	1,644,045	768,583	+ 875,462
Common metals and manufactures thereof	23,962	21,049	+ 2,913
Machinery and apparatus and electric material	2,316	2,379	— 63
Means of transport	338	2,372	— 2,034
Scientific and precision instruments and apparatus, horological wares and musi- cal instruments	206	243	— 37
Arms and ammunition	1	.....	+ 1
Miscellaneous goods and products, not elsewhere included	51,486	68,594	— 17,108
Works of art and articles for collections	8,182	9,236	— 1,054

The above tables indicate that on the import side declines were shown in sixteen commodity groups and increases in five, while among exports eight commodity groups showed advances and thirteen decreases. Imports of piece-goods were the most adversely affected. On the other hand, exports of raw cotton showed the most noteworthy increase.

TRADE BY COUNTRIES

The United Kingdom continued in 1939 to occupy first place both as a source of supply and a purchaser.

The values of imports from and exports to principal countries in 1939 and 1938 respectively were as follows:—

Egyptian Imports from and Exports to Principal Countries

	Imports		Exports	
	1939	1938 Figures in £E.1,000	1939	1938
Total	34,090	36,934	34,080	29,342
United Kingdom	9,371	8,421	11,325	9,436
Belgium and Luxemburg	1,693	2,069	618	464
France	1,989	1,956	3,499	2,318
Germany	2,680	3,985	2,214	3,620
Italy	2,059	3,003	1,517	1,744
Roumania	1,219	1,398	527	705
Dutch East Indies	1,517	1,724	89	35
United States	2,681	2,456	1,145	707
Chile	1,387	976	49	147
Netherlands	729	806	442	345
Switzerland	632	594	1,311	952
Japan	782	955	2,427	1,840
Czecho-Slovakia	313	577	223	971
Finland	296	404	18	18
Greece	399	407	472	331
Hungary	413	467	280	238
Norway	475	517	27	15
Poland and Danzig	308	350	381	633
Soviet Russia	102	480	...	2
Sweden	394	531	296	252
Turkey	250	218	72	84
Yugoslavia	223	210	83	95
British India	791	873	1,981	1,537
Ceylon	277	291	50	34
British Malaya	252	101	43	47
China	161	155	466	200
Palestine	266	245	553	369
Iran (Persia)	572	595	187	3

The balance of trade with the United Kingdom was again highly favourable. A credit balance was also shown in the case of France, Switzerland, Japan, Greece, Poland-Danzig, British India, China, Palestine, etc., and a debit balance existed with Belgium and Luxemburg, Germany, Italy, Roumania, Dutch East Indies, the United States, Chile, Netherlands, Czecho-Slovakia, Finland, Hungary, Norway, Soviet Russia, Sweden, Turkey, Yugoslavia, Ceylon, British Malaya, Iran (Persia), etc.

TRADE WITH CANADA

The outbreak of war in Europe has resulted in the complete elimination of enemy countries and a partial loss of certain others as sources of supply for Egypt. This situation has already reacted favourably for the trade of certain supplying countries, but it is apparent that Canada has not been able to take advantage during the past four months of the changed trading conditions in this country. Efforts have, however, been initiated in various directions, some having already borne fruit during the current year. During 1939 there was no increase in imports into Egypt from Canada, but interesting developments have taken place since the beginning of 1940, and it is fully anticipated that in the coming months favourable results will be achieved, at least in respect of certain commodities.

According to Egyptian official statistics, the figures relating to Egypt's imports from and exports to Canada in 1939 and 1938 are as follows:—

Egypt's Imports from and Exports to Canada

	Imports £E.	Exports £E.	Trade Balance £E.
1939	46,625	249,989	+203,364
1938	51,182	79,681	+ 28,499
Increase or decrease in 1939	- 4,557	+170,308	+174,865

While Egypt's exports to Canada show a substantial increase, imports from the Dominion slightly decreased. It is to be noted, however, that the foregoing import figures comprise only Canadian goods imported direct from the Dominion. As has been stated in similar reports in the past, it is well known that some quantities of Canadian merchandise reach Egypt via United States, United Kingdom, and other ports or are purchased in London by Egyptian merchants. If figures of these imports were available, a much different ratio between this country's exports to and imports from Canada would likely obtain.

EGYPT'S EXPORTS TO CANADA

The following table shows the values of the principal commodities exported by Egypt to Canada in 1939 and 1938:—

Egypt's Chief Exports to Canada

	1939 £E.	1938 £E.
Total	249,989	79,681
Onions	5,720	1,721
Cigarettes	142	....
Cotton, raw	243,266	77,439
Black, animal	200	250

Raw cotton accounted therefore for the substantial advance in Egyptian exports to Canada in 1939, this being no doubt due to current conditions.

EGYPT'S IMPORTS FROM CANADA

Subjoined is a table giving the values for 1939 and 1938 of Egypt's imports from the Dominion, as furnished by the Ministry of Finance:—

Egypt's Principal Imports from Canada

	1939 £E.	1938 £E.
Total	46,625	51,182
Milk, condensed, sweetened	*	2,475
Apples, fresh	13,721	392
Flour of wheat	553	381
Salmon, preserved	677	284
Sardines, preserved	92	....
Other fish, preserved	896	....
Whisky, bottled	418	998
Medicines	299	49
Perfumery	132	216
Soap, toilet and medicinal	1,645	....
Leather, patent	183	169
Fur skins, raw	90	322
Fur skins, prepared	60	186
Furs, worked or manufactured	108	100
Tires and inner tubes	14,709	32,876
Rubber articles for hygiene	1,321	1,045
Timber	101	....
Wallboard of pressed fibre	3,676	2,802
Socks and stockings of pure natural silk	949	1,689

* Not recorded; indirect shipments only.

Egypt's Principal Imports from Canada—Concluded

	1939 £E.	1938 £E.
Socks and stockings, over 10 per cent natural silk, mixed with other materials	1,064	756
Hosiery of pure artificial silk	25	51
Hosiery of artificial silk mixed with other materials	22	43
Hosiery of wool	10	39
Hosiery of cotton	7	52
Clothing, ready-made, of cotton	35	124
Canvas shoes with rubber soles	53	68
Blades, safety razor	106	38
Batteries, automobile	1,251	2,810
Automobile spare parts	36	146

Other Canadian articles imported into Egypt in 1939 included the following: tomato paste; prepared mustard; chemicals; cinema films; ochre; pencils; shaving soap; glue; ladies' handbags of leather; other leather manufactures; rubber thread; steel furniture; articles of wood; carbon paper; newsprint; stationery; paper bags; pictures; calendars; elastic fabrics; underwear of wool, cotton, and artificial silk; household linen; asbestos manufactures; copper wires; steel manufactures; machine needles; razors; agricultural machinery; electric wire and cable; electrical apparatus; field glasses; paint brushes; shaving brushes; games and toys; fountain pens; etc.

Among the articles enumerated in the previous paragraph, the majority have been imported for the first time into Egypt and, under the circumstances, business will likely develop in a number of them.

IMPORTS INTO EGYPT OF INTEREST TO CANADA

Following is a statistical analysis of the principal commodities of interest to Canada imported into Egypt in 1939 and 1938, the 1938 figures being shown within parentheses:—

Powdered Milk, Unsweetened (in Packings of over 2 Kilos).—Total, £E.1,949 (£E.3,966): Netherlands, £E.1,785 (£E.3,388); other countries, £E.164 (£E.578).

Powdered Milk, Unsweetened (in Packings of 2 Kilos or Less).—Total, £E.7,737 (£E.7,735): United Kingdom, £E.6,128 (£E.6,006); other countries, £E.1,609 (£E.1,729).

Canada participates in this trade, and the Dominion's share is included in the figures relating to the United Kingdom and "other countries". Of late a great interest in Canadian powdered milk has developed in Egypt.

Condensed Milk, Unsweetened.—Total, £E.10,355 (£E.9,627): United Kingdom, £E.2,319 (£E.2,627); Canada, nil (£E.2,475); Netherlands £E.5,927 (£E.3,655); Switzerland, £E.428 (£E.284); other countries, £E.1,681 (£E.586).

There were no direct shipments of unsweetened condensed milk from Canada to Egypt in 1939, but the demand for the Canadian product appears to have remained steady.

Condensed Milk, Sweetened.—Total, £E.17,569 (£E.15,550): Netherlands, £E.4,196 (£E.4,509); Switzerland, £E.6,315 (£E.6,787); other countries, £E.7,058 (£E.4,254).

Cheese.—Total, £E.80,060 (£E.82,075): United Kingdom, £E.9,284 (£E.11,262); Cyprus, £E.2,791 (£E.4,570); Denmark, £E.6,220 (£E.3,966); France, £E.4,282 (£E.5,674); Netherlands, £E.11,009 (£E.8,121); Italy, £E.11,531 (£16,417); Switzerland, £E.13,695 (£E.12,550); other countries, £E.21,248 (£E.19,515).

Canadian cheese is well liked in Egypt. Purchases are made in London, but, owing to the difficulty experienced by Egyptian merchants in obtaining their ordinary requirements from certain of their usual sources of supply, Canadian cheese could be sold in larger quantities, and the possibility of direct business with Egypt might be considered by Canadian exporters.

Fresh Apples.—Total, £E.74,399 (£E.105,734): Australia £E.6,915 (£E.4,534); Canada, £E.13,721 (£E.392); Greece, £E.5,395 (£E.580); Italy, £E.4,688 (£E.3,062); Turkey, £E.107 (£E.797); United States, £E.42,204 (£E.96,031); other countries, £E.1,369 (£E.338).

The imports credited to the United States include shipments of Canadian apples via New York. According to local importers, the quantities of Canadian apples sold in Egypt during 1939 exceeded those received from the United States. It is apparent that 1939 was particularly favourable for Canadian apples in the Egyptian market. (A report reviewing the developments of the present apple season in Egypt will be published in an early issue of the *Commercial Intelligence Journal*.)

Wheat Flour.—Total, £E.22,559 (£E.45,682): United Kingdom, £E.1,742 (£E.1,813); Australia, £E.1,753 (£E.15,144); Canada, £E.553 (£E.381); United States, £E.18,439 (£E.25,606); other countries, £E.72 (£E.2,738).

As a result of high protection, imports of flour into Egypt have constantly decreased since 1931 and, in common with the other sources of supply, Canada has been affected. The decline in sales of Canadian flour to Egypt is also to be ascribed to high prices quoted in recent years for the Canadian product as compared with those of United States flour. This price situation appears to have been more or less corrected since the beginning of 1939, but United States flour has attained such a favourable position in this country that even on equal terms it would be difficult for Canadian flour to gain much ground. However, imports of Canadian flour into Egypt showed a slight increase in value during 1939.

Canned Salmon.—Total £E.3,709 (£E.6,104). The bulk of the trade is in the hands of Japan. Canada's share was £E.677 (£E.284). Japanese salmon is lower in price.

Canned Sardines.—Total, £E.8,099 (£E.14,233): France, £E.711 (£E.1,640); Portugal, £E.5,413 (£E.8,883); other countries, £E.1,975 (£E.3,710). Direct imports from Canada were valued at £E.92 (nil); no figures are available regarding indirect imports.

Other Canned Fish.—Total, £E.36,825 (£E.58,498): Portugal, £E.7,350 (£E.18,594); United States, £E.19,461 (£E.14,582); other countries, £E.10,014 (£E.25,322). Canada's share in 1939 was £E.896.

Judging from the number of inquiries received, substantial sales of Canadian canned fish could be made in Egypt, if stocks were available for export to this country.

Bottled Whisky.—Total, £E.110,449 (£E.99,151): United Kingdom, £E.109,843 (£E.97,868); other countries, £E.606 (£E.1,283). The value of direct imports of Canadian whisky totalled £E.418 (£E.998); additional quantities were imported via the United Kingdom and credited to that country.

Medicines.—Total, £E.317,637 (£E.486,353): United Kingdom, £E.84,410 (£E.114,949); Denmark, £E.1,082 (£E.923); France, £E.86,758 (£E.143,526); Germany, £E.60,298 (£E.109,179); Netherlands, £E.6,892 (£E.3,646); Hungary, £E.4,958 (£E.7,045); Italy, £E.8,455 (£E.15,262); Switzerland, £E.42,960 (£E.53,144); United States, £E.16,562 (£E.29,418); other countries, £E.5,262 (£E.9,261). Canada is credited with £E.299 (£E.49). Numerous inquiries have of late been received for Canadian medicinal preparations.

Perfumery.—Total, £E.55,442 (£E.68,655): United Kingdom, £E.18,024 (£E.20,678); France, £E.27,812 (£E.37,671); other countries, £E.9,606 (£E.10,306). Canada's share was £E.132 (£E.216).

Toilet and Medicinal Soap.—Total, £E.22,644 (£E.29,100): United Kingdom, £E.17,746 (£E.23,701); other countries, £E.4,898 (£E.5,399). Imports of toilet and medicinal soap from Canada, a new development, were valued at £E.1,645 in 1939.

Patent Leather.—Total, £E.62,513 (£E.74,088): United Kingdom, £E.4,320 (£E.5,711); Belgium and Luxembourg, £E.1,605 (£E.1,124); France, £E.9,912 (£E.9,273); Germany, £E.8,192 (£E.10,305); Hungary, £E.19,701 (£E.25,442); United States, £E.9,866 (£E.12,728); other countries, £E.8,917 (£E.9,505). Direct imports from Canada were valued at £E.183 (£E.169). Canadian patent leather appears to be high in price as compared with the product originating in some of the competing countries.

Raw Fur-skins.—Total, £E.358 (£E.414). Canada's portion of the trade was £E.90 (£E.322).

Prepared Fur-skins.—Total, £E.12,263 (£E.16,460). Direct imports from Canada were valued at £E.60 (£E.186).

Worked or Manufactured Fur.—Total, £E.6,895 (£E.7,580). The value of direct imports from Canada was £E.108 (£E.100).

Automobile Tires.—Total, £E.166,370 (£E.169,204): United Kingdom, £E.76,325 (£E.66,496); Belgium and Luxembourg, £E.9,204 (£E.12,457); France, £E.10,901 (£E.14,244); Germany, £E.2,016 (£E.4,336); Italy, £E.17,469 (£E.15,116); United States, £E.35,620 (£E.22,161); other countries, £E.14,835 (£E.34,394). Direct imports from Canada of automobile tires and inner tubes combined totalled £E.14,709 (£E.32,876).

Inner Tubes.—Total, £E.20,732 (£E.20,185): United Kingdom, £E.10,553 (£E.9,102); France, £E.1,317 (£E.2,499); Italy, £E.2,051 (£E.1,559); United States, £E.3,984 (£E.2,214); other countries, £E.2,827 (£E.4,811).

Rubber Articles for Hygiene.—Total, £E.12,135 (£E.12,040). Canada's share of the trade is estimated at £E.1,321 (£E.1,045). Supplies are difficult to obtain from European sources, and larger sales could be made by Canadian exporters.

Timber for Constructional Purposes.—The value of imports of timber for constructional purposes amounted to £E.932,150 in 1939 as against £E.1,152,246 in 1938, the latter figure representing a normal average. Roumania and Finland in normal times control the bulk of the trade. Since the beginning of the war it has been difficult to obtain supplies from Finland, and the latest developments have cut off this source completely, while, owing to lack of shipping space, Roumanian arrivals have decreased. As a result, Egyptian importers have to look elsewhere for supplies. Canada has already benefited by this situation, and

it is expected that large sales of Canadian timber to Egypt will be effected this year. The variety of Canadian timber in special demand is Douglas fir, which is used to replace Scandinavian woods.

Railway Sleepers.—Total, £E.264,201 (£E.222,914): Turkey, £E.7,846 (£E.27,074); other countries, £E.256,355 (£E.195,840). Brazil occupied a prominent place in the past year's imports. On the other hand, Canada was again absent from the market. Supplies are plentiful, and it is not likely that the Egyptian railways will be again in the market for another year or two.

Telephone and Telegraph Poles.—The last award, on January, 1940, went to Australia, the quantity involved being about 80,000 poles. The Telegraph and Telephone Administration have now stocks sufficient for a couple of years.

Wallboard of Pressed Fibre.—Total, £E.6,424 (£E.9,410). Imports from Canada, valued at £E.3,676 (£E.2,802), were almost exclusively for the British army. In view of present circumstances, larger quantities should be sold in 1940.

Socks and Stockings of Pure Natural Silk.—Total, £E.30,532 (£E.31,681): Germany, £E.11,059 (£E.5,409); Japan, £E.1,278 (£E.933); United States £E.13,819 (£E.16,251); other countries, £E.4,376 (£E.9,088). Direct imports from Canada were valued at £E.949 (£E.1,689), but it is estimated that sales of Canadian stockings in Egypt were considerably in excess of the above figures.

Socks and Stockings, over 10 Per Cent Natural Silk, Mixed with Other Materials.—Total, £E.6,323 (£E.7,186): Germany, £E.2,289 (£E.1,898); United States, £E.1,767 (£E.2,150); other countries, £E.2,267 (£E.3,138). The value of direct shipments from Canada was £E.1,064 (£E.756).

Safety Razor Blades.—Total, £E.22,029 (£E.20,482). Imports from Canada in 1939 were valued at £E.106 (£E.38).

Automobile Batteries.—Total, £E.37,288 (£E.26,268): United Kingdom, £E.19,325 (£E.7,814); Germany, £E.3,981 (£E.6,311); Italy, £E.1,100 (£E.767); United States, £E.6,886 (£E.5,257); other countries, £E.5,996 (£E.6,119). Canada's share was £E.1,251 (£E.2,810).

Newsprint.—Total, £E.106,224 (£E.111,211): Finland, £E.42,182 (£E.57,293); Germany, £E.17,324 (£E.11,886); Norway, £E.6,017 (£E.3,563); Sweden, £E.34,798 (£E.34,463); other countries, £E.5,903 (£E.4,006).

Very little newsprint arrived at Alexandria during the last four months of 1939. Since the beginning of 1940 some quantities of Canadian newsprint have reached Egypt. Canada is currently regarded as the only reliable source of supply, and Canadian exporters may look forward to good business with this country during the present year.

Other Products.—In the last few months business has been initiated in a number of Canadian products, and hopes are held that interesting developments will follow in respect of several of those products.

BUSINESS PROSPECTS

A gradually increasing number of sources of supply are being cut off from the Egyptian market, and it has become obvious that at present Egypt offers much greater opportunities for Canadian products than at any time in the past. Canadian exporters, when considering this market, should not allow themselves to be adversely influenced by the low figures of the Dominion's export trade to Egypt in previous years. The sales of one Canadian commodity alone have exceeded in the past few months the value of Canada's exports to Egypt in the last three years and many Canadian lines which could not be sold to Egypt prior to the war are now in a competitive position.

Broadly speaking, the Canadian products of immediate interest to Egypt comprise the following: timber for constructional purposes; insulating board; plywood; veneer; newsprint; other paper; cardboard; iron and steel products; railway equipment; steel rails; chemicals; medical preparations; paints and varnishes; leather; furs; rubber manufactures, including tires and inner tubes; automotive equipment; electric apparatus; agricultural machinery; and food-stuffs generally, including canned fish, canned fruit, canned vegetables.

A report published in *Commercial Intelligence Journal* No. 1878 (January 27, 1940) reviewed the new conditions facing Egyptian merchants as a consequence of imports from Germany and countries in enemy occupation being prohibited and imports from various other countries being difficult to obtain. In addition, information was furnished regarding the opportunities for Canadian products as a result of this situation. The year 1940 should prove to be highly

favourable for Canadian exporters dealing with this country, if, of course, shipping facilities are available and previous commitments elsewhere allow them to devote their attention to the Egyptian market.

Great interest in Canada as a possible source of supply for a number of products has developed in Egypt, and the time appears to be opportune for increasing the Dominion's trade in the products now being sold in this country and for introducing various other products.

Canadian producers or manufacturers in a position to supply the Egyptian market are invited to communicate with the Canadian Trade Commissioner at Cairo.

TRADE OF THE ANGLO-EGYPTIAN SUDAN IN 1939

HENRI TURCOT, CANADIAN TRADE COMMISSIONER

[One Egyptian pound (£E) equals approximately \$4.58 Canadian]

Cairo, April 22, 1940.—The official figures relating to the value of the external trade of the Anglo-Egyptian Sudan in 1939 and 1938, exclusive of specie, are shown in the following table:—

	1939 £E.	1938 £E.	Inc. or Dec. £E.
Government imports	2,158,960	2,125,299	+ 33,661
Public imports	3,780,558	4,158,098	— 377,540
Total imports	5,939,518	6,283,397	— 343,879
Exports	5,367,396	5,490,362	— 122,966
Re-exports	304,631	479,372	— 174,741
Transit trade	191,519	117,770	+ 73,749
Total trade	11,803,064	12,370,901	— 567,837

The visible balance of external trade (excluding specie and transit goods) in 1939 showed an excess of imports over exports of £E.267,491 as compared with £E.313,663 in 1938, the deficit being reduced by £E.46,172. Therefore the value of the foreign trade of the Sudan showed little change.

IMPORTS

The principal items of government imports in 1939 and 1938 were the following:—

Values of Government Imports

	1939 £E.	1938 £E.	Inc. or Dec. £E.
Metals and metalware	282,000	261,113	+ 20,887
Sugar, refined	803,092	637,927	+ 165,165
Cement	23,657	14,706	+ 8,951
Oil fuel	20,961	13,380	+ 7,581
Arms and explosives	180,682	115,728	+ 64,954
Boots and shoes	4,839	8,022	— 3,183
Clothing and hosiery	11,477	13,418	— 1,941
Coal and coke	105,433	214,624	— 109,191
Machinery	195,354	300,125	— 104,771
Timber and railway sleepers	26,933	141,726	— 114,793
Motor cars, cycles, parts and tires	40,057	66,048	— 25,991
Other items	464,475	338,482	+ 125,993
Total	2,158,960	2,125,299	+ 33,661

The main items of public imports were as follows:—

Values of Public Imports

	1939 £E.	1938 £E.	Inc. or Dec. £E.
Motor spirit	139,904	81,135	+ 58,769
Cement	34,640	26,134	+ 8,506
Jams and tinned fruit	36,302	30,499	+ 5,803
Rice	31,532	28,490	+ 3,042
Kerosene	26,806	22,383	+ 4,423
Oil fuel	53,081	23,344	+ 9,737
Coal and coke	6,360	3,857	+ 2,503
Sacks	126,744	117,935	+ 8,809
Wheat flour	158,309	154,381	+ 3,928
Timber	58,887	59,204	— 317
Metals and metalware	245,772	261,104	— 15,332
Tea	254,288	263,186	— 8,898
Cotton piece-goods	987,751	1,144,983	— 157,232
Clothing and hosiery	28,570	40,582	— 12,012
Tobacco and cigarettes	156,635	173,694	— 17,059
Coffee	165,595	208,978	— 43,383
Soap	32,055	35,623	— 3,568
Spirits, wines and beer	65,341	65,795	— 454
Motor cars, cycles, parts and tires	165,840	176,781	— 10,941
Silk piece-goods	6,379	13,645	— 7,266
Boots and shoes	30,607	56,488	— 25,881
Artificial silk piece-goods	53,715	74,306	— 20,591
Machinery	110,335	129,638	— 19,303
Other items	825,110	965,933	— 140,823
Total	3,780,558	4,158,098	— 377,540

The principal sources of supply for government and public imports combined, together with the percentage share of each, the 1938 figures being shown within parentheses, were: United Kingdom, 27·7 (26·2); Egypt, 28·3 (23); Japan, 15·4 (17·5); British India, 4·7 (4·5); United States, 2·4 (2·3); Australia, 2·6 (2·1); France, 0·8 (0·8); Germany, 1 (1·8); Belgium, 1·2 (0·9); Italy, 15·3 (0·7).

EXPORTS

The values of the principal items of export from the Sudan in 1939 and 1938 were as follows:—

	1939 £E.	1938 £E.
Total	5,367,396	5,490,362
Sesame	217,511	199,672
Gum (hashab)	678,224	630,335
Chillies	22,574	16,320
Skins, untanned	64,184	45,292
Sheep	15,498	1,967
Cattle	37,162	36,362
Samn (ghee)	36,470	33,259
Chick peas	21,942	19,564
Common salt	18,074	16,270
Melonseed	39,382	49,166
Oil cake	13,990	20,030
Groundnuts	31,640	43,590
Cottonseed (Egyptian)	228,447	237,961
Cottonseed (American)	8,021	4,472
Great millet (dura)	103,718	295,877
Maize	8,358	15,096
Hides, untanned	43,273	59,546
Haricot beans	27,888	28,126
Dates	30,568	32,717
Raw cotton	3,185,943	3,200,226
Cotton, ginned	211,486	226,955
Cotton scarto	12,651	10,290

The principal destinations of exports and the percentage share of each country, the percentages for 1938 being shown within parentheses, were: United Kingdom, 47·5 (47·1); Egypt, 9 (13·1); Japan, 2·4 (1·4); British India, 13·2 (14·7); United States, 6·2 (3·5); Australia, 0·4 (0·5); France, 6 (5·1); Germany, 1·3 (1·9); Belgium, 0·7 (1·3); Italy, 10·3 (2·5).

TRADE WITH CANADA

The monthly trade returns published by the Sudan Government give no separate figures for export to and imports from Canada. On the other hand, the figures issued by the Dominion Bureau of Statistics place Canadian exports to and imports from the Sudan at \$34,548 and \$19,218 in 1939, as against \$210,181 and \$27,189 in 1938.

Canadian exports to the Anglo-Egyptian Sudan comprise principally railway sleepers, planks and boards, pneumatic tire casings, inner tubes, and canned sardines.

Apart from unavoidable shipping difficulties, every other factor affecting trade in the Sudan appears to be favourable. The country has had a satisfactory harvest, and its agricultural produce, in general, is of a type for which war conditions are likely to create an increasing demand. Total external trade, although showing a deficit, can under the circumstances be considered satisfactory.

TRADE POSSIBILITIES FOR CANADIAN GOODS IN CHILE

M. J. VECHSLER, CANADIAN TRADE COMMISSIONER

Lima, May 16, 1940.—Since the outbreak of hostilities, many inquiries have been received from Chilean importers, agents, manufacturers and others regarding the possibility of obtaining from Canada supplies, many of which had been imported formerly from Germany and other European countries. Some of the more important ones will be dealt with hereafter, but a word or two regarding the Chilean market and the present situation is necessary.

First, it should be borne in mind that the United States is making a very determined effort to capture as large a portion as possible of the trade formerly supplied by Germany. Germany formerly occupied a dominant position in South America's west coast trade. By means of barter agreements, depreciated currency, long-term credits, frequent and regular steamship services, etc., a market was developed and catered to what was, and is, essentially a price market. The Chilean peso to-day is only one-third its par value of sixpence. Canadian exporters intending to try to enter and develop this market and to retain a foothold, must be prepared, as in the case of domestic trade, to meet competition and cater to the needs of the market as do their competitors.

IMPORT AND EXCHANGE CONTROL

A system of import and exchange control is in effect in Chile. At present a scarcity of United States dollar exchange exists and slight delays are occurring in the granting of exchange in payment of drafts. On the other hand, there is a surplus of sterling. As a general rule, the Exchange Control Commission, depending upon the supply of exchange available, grants such exchange in this order: goods deemed to be of prime necessity, goods entering into Chilean industry for further processing or manufacturing, and articles looked upon as being of a non-luxury type. A description of the various types of exchange in effect will be found in *Commercial Intelligence Journal* No. 1895: May 25, 1940.

TRADE OPPORTUNITIES

NEWSPRINT

Prospects exist for continued expansion of Canadian sales of newsprint, particularly owing to the recent rupture of Scandinavian supplies. Together with those from Germany, these had provided the chief competition for the Canadian product. A newsprint and paper industry exists in Chile, but

production of newsprint and certain other specialized papers is still insufficient to meet the demand.

INDUSTRIAL AND MINING MACHINERY

During the past four or five years, rapid strides have been made in secondary industrial development in Chile. Mining of copper, nitrate and coal, are well developed industries. On the other hand, new secondary industries are continually springing up and the industrial role of Chile is a very comprehensive one. Although the United States and Germany have supplied these markets, room still exists for other suppliers.

AGRICULTURAL MACHINERY

Although some small agricultural machinery items are being produced in Chile, there is a considerable amount imported. The United States is the chief source of supply, although one or two Canadian firms are obtaining a foothold. Chile is an exporter of agricultural products, particularly peas, beans and lentils, and at times wheat, generally being able to supply its own needs in all agricultural products.

SPECIFIC COMMODITIES

During a recent survey, a number of specific inquiries arose. These are shown by groups in the following paragraphs:—

Metals.—Iron bars; aluminium in sheets; iron pipe and fittings; chain; brass and wire cloth; valves; zinc in sheets and ingots; lead in ingots; antimony; ferrochrome; ferromanganese; ferro silicon; bronze sheets; steel rods; drill steel; wire of all kinds; type and linotype metal; rails; zinc spelter; steel rope; steel plates; anti-friction metals; tinplate; phosphor bronze; corrugated sheet iron; furniture tubing; railway spikes.

Machinery.—Agricultural; saw-mill; woodworking; industrial; pulverizing; road-building; stone-working; crushers; generators; dynamos; concrete mixers; winches; vibrators; book-binding; printing; furniture manufacturing; hydraulic; textile; power plant equipment; coal cutting; compressors; flotation equipment; beer bottling; canning (shellfish); turbines; automatic packing.

Hardware.—Locks and fittings; tools (hand), hatchets, axes; paints; bicycles; hoes, brushes, padlocks, spades, shovels, sledges; agricultural tools; butts and hinges; files; saws; plumbing supplies; furniture hardware; drills, bits; grinding wheels; hose; curtain rods; bolts; nuts, screws; fishing tackle; pots, collanders; sporting goods; fish hooks; floor polishers; lanterns; ropes; milk cans; clothes pins; washers; toilet tanks and seats; sanitary ware.

Electrical.—Appliances; chandeliers; wire and devices; small motors; stoves; bulbs and fittings; generators; dynamos; furnaces; meters; ranges; electrical equipment for coal mines; electro-plating materials; refrigerators; temperature control instruments; lamps; turbines.

Textiles.—Wiping waste; underwear (men's); hosiery (silk); silk yarns; threads, tapes, braids; fabrics (fine); elastic webbing; bookbinders' cloth; furniture coverings; veils; shoe linings; cotton duck; oiled silk; fabricoid for automobile seat covers; fancy goods; corduroy; jute bagging; furniture webbing; woollen gloves; denims; blankets.

Minerals and Mineral Products.—Cement; asbestos in sheets, powder and fibre; oxides of lead; zinc; cobalt; nickel; selenium; litharge; antimony; paint pigments; asphalt liquid plastics; bismuth; lithopone; coal; metallurgical coke; magnesite; dolomite; crude tale; fire bricks; aluminium powder; antimony oxide; asbestos packings; crucibles; powdered chalk.

Medical, Pharmaceutical and Chemical Products.—Rubber sundries; rubber in sheets; drugs; rubber gloves; laboratory supplies and equipment; cosmetics; caustic soda; dyestuffs; zinc stearate; clinical thermometers; glucose; sponge rubber; calcined magnesia; carbonate of magnesia; cod liver oil; lactose; citric acid; peroxide of barium; ammonia sulphate in drums; bleaching powder; silk and cotton for surgical sewing; toilet articles; elastic bandages; X-ray films; catgut.

Wood and Paper.—Aluminium coated paper; wood pulp; couché and bond paper; wooden shoe pegs; cardboard; imitation leather; clothespins (spring); newsprint; wallpaper; carbon papers; coloured and glazed papers; crepe paper in rolls; mechanical wood pulp; plywood; cigarette paper; fibreboard.

Articles for Primary and Secondary Industry.—Aluminium sheets; upholstery springs; tapestries; metal parts for braces, suspenders, garters and corsets; sawmill and wood-working machinery; pulverizing equipment; ball and tube mills; transmission belting;

bicycle parts; knitting needles; transmission line equipment; accessories for baggage and furniture trades; dynamite; mining explosives; drill steel; black sheets; articles for shoe trade; printing inks; bookbinders' and boxmakers' wire; machinery for printing trade; machinery and accessories for furniture manufacturing trades; dressed furs; pipe threading wrenches and machinery; wire and rods for the manufacture of bolts and rivets; materials and equipment for textile trades; fermentation and storage tanks; papermakers' felts; steel ropes; raw materials for steel alloys; transmission shafting; articles for perfume trade; gas testers for kilns; perforated steel plates; gum resins; boilers; brattice cloth.

Miscellaneous.—Buttons; costume jewellery; fire-fighting apparatus; spray guns; awnings; chinaware; central heating equipment; razor blades; linoleum; dolls and toys; veneers; zippers; eyelets; mining explosives; poultry netting; water meters; toilet and tooth brushes; combs; battery separators; automobile tools and accessories; grinding wheels; slide fasteners; hair pins; salmon; sardines; fuses (dynamite).

TARIFF CHANGES AND TRADE REGULATIONS

United Kingdom

IMPORT LICENSING REGULATIONS

In amplification of the cabled information published in *Commercial Intelligence Journal* No. 1896 (June 1, 1940), page 871, the Chief Canadian Trade Commissioner in London reports that the Import of Goods (Prohibition) (No. 20) Order, 1940, of the United Kingdom, added the following to the list of goods subject to the Import Licensing Regulations:—(1) manufactures wholly or mainly of asbestos; (2) vacuum flasks, vacuum jars and similar vacuum vessels, whether fitted or not, parts thereof and blanks therefor; (3) hollowware made wholly or partly of aluminium; (4) agricultural and horticultural forks, scythes, sickles, hooks, axes, hatchets, adzes, and matchets, and parts thereof except handles; (5) fittings of the kinds used for incorporation in apparel, including fittings for braces, corsets and suspenders; and (6) handbag frames and fittings wholly or partly of metal or wholly or partly of plastic material. The Import Licensing Department announced that until further notice they are not prepared to consider applications for licences for the importation from any foreign country, except France, of the goods covered by classes numbered 1, 2, 3 and 4. Goods covered by the Order which are proved to the satisfaction of the Customs authorities to have been despatched to the United Kingdom before May 28 do not require a licence.

EXTENSION OF IMPORT LICENSING SYSTEM

Mr. Frederic Hudd, Chief Canadian Trade Commissioner in the United Kingdom, cables that the British Board of Trade have issued an order under which all goods imported into the United Kingdom, except live quadruped animals, will be subject to import licensing. The new order does not affect goods which have been despatched to the United Kingdom before June 10 and are imported before August 10. Many classes of merchandise were already subject to import licence under previous orders.

Previous open general licences, which permitted importation of restricted goods without the formality of individual licences for each shipment, have been withdrawn but some new open general licences have been issued. Goods permitted importation from all countries without individual licences include the following among others of interest to Canada: cod liver oil; fish, fresh, other than frozen and wet salted; spirits; asbestos, raw and waste; charcoal, other than activated and decolorising; drugs, natural, raw; fur skins, undressed; nickel ore, concentrates, residues and matte; radium ores, concentrates, residues and compounds; tale; wood tar; cadmium; carbon black; cobalt; films, cinematograph (standard width), unexposed, and film base; films, cinematograph, exposed; tool handles of wood.

A further list of goods brought within the scope of open general licence as regards imports from British Empire countries, includes biscuits; buttons, whether finished or not; dry-earth colours; mica; and raw wool.

Unless the products are covered by the new open general licences, Canadian exporters should not ship without receiving assurance from their customers that any necessary import licences have been, or will be, granted for the particular consignment which is to go forward.

Australia

VALIDITY OF IMPORT LICENCES EXTENDED

Mr. L. M. Cosgrave, Canadian Trade Commissioner in Sydney, cabled on June 5 that in future every licence to import will be valid for 8 months from the date of issue.

The Explanatory Memorandum issued by the Australian Department of Customs on December 1, 1939, when the import licensing system was commenced, provided that: "Except in the case of imports of an exceptional character, the following limitations shall apply to the period of validity of a licence: (a) European countries—8 months from date of issue of a licence; (b) other countries—6 months from date of issue of a licence." The validity of licences to import goods from Canada, a non-European country, was thus limited to six months from the date of issue. According to the Trade Commissioner's cablegram, licences for the admission of goods from Canada and all other non-sterling countries will now be valid for eight months from date of issue.

MARKING OF IMPORTED GOODS

Mr. L. M. Cosgrave, Canadian Trade Commissioner at Sydney, writes that the Australian Commerce (Trade Descriptions) Act prohibits the importation into the Commonwealth of any goods to which a false trade description is applied. Within the meaning of the Act a *false* trade description is one which, by reason of anything contained therein or omitted therefrom, is false or likely to mislead in a material respect as regards the goods to which it is applied.

The Act further sets down that misleading marking may consist of words, names, signs, characters, etc., or merely a "get-up" or mode of packing. A false trade description may, therefore, exist apart from any words or marking actually upon the article or its coverings. A customs entry or any printed matter accompanying the goods and relating thereto is a trade description within the meaning of the Act.

For the purpose of the Act, imported goods may be divided into the following classes:—

- (a) Goods which are specifically required by regulations issued under the Act to bear a trade description prior to their importation. In the case of all such goods the marking thereon must include the name of the country in which the goods were made or produced.
- (b) Goods which are not required by regulation to bear a trade description. These need not bear any marking; but if any is applied at time of importation, it must be in accordance with fact and not be so worded as to create a false impression.

As regards (a) above, action under the Commerce (Imports) Regulations has been taken in respect of the following classes of goods:—

- (a) Articles used for food or drink by man, or used in the manufacture or preparation of articles used for food or drink by man.
- (b) Medicines or medicinal preparations for internal or external use.
- (c) Manures.

- (d) Apparel (including boots and shoes) and the material from which apparel is manufactured.
- (e) Jewellery.
- (f) Agricultural seeds.
- (g) Plants.
- (h) Brushware.
- (i) China, porcelain, earthenware and enamelled hollowware of the following kinds:
 - (1) articles of a description commonly used in connection with the serving of food or drink for man; (2) kitchenware and kitchen utensils.
- (j) Cotton towels and towelling.
- (k) Electrical appliances, apparatus and accessories (including electric incandescent lamps).
- (l) Powder puffs.
- (m) Toys.
- (n) Cigarette papers and cigarette tubes.
- (o) Portland cement.
- (p) Sanitary and lavatory articles of earthenware, fire-clay, vitreous china or similar substances or materials. (NOTE—For the present, marking in the case of sanitaryware is enforced in respect of lavatory basins, sanitary pans and cisterns, and urinal stalls only.)
- (q) Wall, hearth and floor tiles.
- (r) Watches, clocks, and movements therefor.

The regulations require that the goods shall be marked with a true description and the name of the country in which they were made or produced. This marking must be applied: (a) in prominent and legible characters; (b) in a prominent position; (c) in as permanent a manner as practicable to the goods or, where application to the goods themselves is impracticable, to the coverings containing the goods.

In the case of the following classes of goods included in the above list, marking as to origin only is enforced:—

- (1) China, porcelain, earthenware and enamelled hollowware, etc. (With regard to enamelled hollowware, marking may be applied by means of adhesive labels.)
- (2) Cotton towels and towelling. (Marking must be applied by direct stamping in colours which are indelible or of such a degree of fastness as to be removable only by washing in hot water and soap. In the case of towelling in the piece defined for cutting, marking is to be applied to each towel in the piece. With towelling in the piece not defined for cutting, marking is to be applied at intervals not exceeding two yards.)
- (3) Electrical goods (but *not* including electric incandescent lamps).
- (4) Powder puffs.
- (5) Toys.
- (6) Portland cement.
- (7) Sanitaryware, etc.
- (8) Wall, hearth and floor tiles.
- (9) Watches, clocks, and movements therefor. (Ruling given by Department of Trade and Customs on alarm clocks manufactured by Western Clock Co., Canada, which are prominently marked with the name of the country of origin on the dial and on the back of the case, is that marking on back of movement is not insisted upon.)

Additional marking necessary in respect of the remainder of goods listed (a) to (r) is clearly set out in the Commerce Imports Regulations (Regulations 9 to 16 (c) inclusive), details of which are on file at the Department of Trade and Commerce, Ottawa.

Jamaica

FORMULA REQUIRED ON MEDICINE LABELS

A Proclamation made by the Governor of Jamaica on March 27, 1940, requires that from and after January 1, 1941, the importation into Jamaica of all medicaments of any nature is prohibited unless their formula or composition are clearly printed in the English or French language on the container.

Italy

STATE OF WAR PROCLAIMED

A proclamation in the *Canada Gazette* of June 11, 1940, gives notice that "a State of War with Italy exists and has existed in our Dominion of Canada as and from the Tenth day of June, 1940." Order in Council (P.C. 2512) of September 5, 1939, passed under the War Measures Act, brought into force regulations which prohibit trading with the enemy during the present war (see *Commercial Intelligence Journal* No. 1859: September 16, 1939, page 526). Italy and all Italian possessions are now enemy territory under Trading with the Enemy Regulations.

EXCHANGE REGULATIONS IN NEW ZEALAND

W. F. BULL, CANADIAN TRADE COMMISSIONER

Auckland, April 30, 1940.—The import, export and exchange control regulations gazetted on December 5, 1938, remain in force with minor alterations. Since August, 1939, importers have been obliged to obtain an exchange permit in addition to the ordinary import licence. As a result of the shortage in overseas balances, these exchange permits called for spread payments, in some cases over a period of twelve months. Most of these old accounts have now been settled and, by spreading purchases more or less evenly over the whole year, importers are able to get exchange permits enabling them to pay cash on arrival of the goods. Under certain circumstances importers can pay on letter of credit terms.

The Finance Emergency Regulations 1940 were gazetted on April 10, 1940. By these regulations it is now illegal without special permission to take or send any money or bill of exchange out of New Zealand, to take, send or transfer any securities from New Zealand, and to convert New Zealand currency into foreign currency at other than the official rates. Prior to the gazetting of these regulations a substantial volume of business was being done on the "unofficial market." Importers were granted licences to bring in otherwise prohibited goods, such as canned salmon, provided they were able to supply their own foreign exchange from sources outside the control of the Reserve Bank of New Zealand. On April 10 importers were paying up to £142 New Zealand for £100 sterling, a premium of 17 per cent on the official rate of £125 New Zealand to £100 sterling.

The Finance Emergency Regulations put a stop to all "black market" negotiations and tied up imports covered by "no remission" licences referred to above. The regulations have now been relaxed and when an importer can prove to the satisfaction of the Reserve Bank that the funds were established overseas prior to April 10, the necessary permission is given to bring in goods already licensed and to effect payment. It is not anticipated that any "no remission" licences will be issued in the future and when the importation of articles is prohibited by the import restrictions the prohibition will be absolute.

FOREIGN EXCHANGE QUOTATIONS: WEEK ENDING JUNE 10, 1940

The Foreign Exchange Division of the Bank of Canada has furnished the following statement of the nominal closing quotations for the principal exchanges for the week ending Monday, June 10, 1940, and for the week ending Monday, June 3, 1940, with the official bank rate:—

Country	Unit	Present or Former Gold Parity	Nominal Quotations in Montreal Week ending June 3	Nominal Quotations in Montreal Week ending June 10	Official Bank Rate
Finland	Markka	.0252	\$.0213	\$.0219	4
France	Franc	.0392			
	Buying		.0201	.0250 $\frac{3}{4}$	2
	Selling		.....	.0253 $\frac{1}{4}$	—
Great Britain	Pound	4.8666			
	Buying		4.4300	4.4300	2
	Selling		4.4700	4.4700	—
Greece	Drachma	.0130	.0067	.0066	6
Hungary	Pengo	.1749	.3227	.3227	4
	Unofficial		.1951	.1953	—
Yugoslavia	Dinar	.0176	.0249	.0250	5
Portugal	Escudo	.0442	.0363	.0411	4-4 $\frac{1}{2}$
Roumania	Leu	.0060	.....	.....	3 $\frac{1}{2}$
Spain	Peseta	.1930	.1013	.1013	4
Sweden	Krona	.2680	.2641	.2642	3
Switzerland	Franc	.1930	.2484	.2486	1 $\frac{1}{2}$
United States	Dollar	1.0000			
	Buying		1.1000	1.1000	1
	Selling		1.1100	1.1100	—
Mexico	Peso	.4985	.1848	.1850	3
Cuba	Peso	1.0000	.....	.....	—
Guadeloupe	Franc	.0392			
	Buying		.0201	.0250 $\frac{3}{4}$	4
	Selling		.....	.0253 $\frac{1}{4}$	—
Jamaica	Pound	4.8666	4.4800	4.4800	—
Martinique	Franc	.0392			
	Buying		.0201	.0250 $\frac{3}{4}$	—
	Selling		.....	.0253 $\frac{1}{4}$	—
Other British West Indies	Dollar	1.0138	.9313	.9313	—
Argentina	Peso (Paper)	.4245	.3304	.3304	3 $\frac{1}{2}$
	Free		.2498	.2512	—
Brazil	Milreis (Paper)	.1196	.0670	.0673	—
	Free		.0556	.0561	—
British Guiana	Dollar	1.0138	.9313	.9313	—
Chile	Peso	.1217	.0574	.0574	3-4 $\frac{1}{2}$
	Export		.0444	.0444	—
Colombia	Peso	.9733	.6347	.6346	4
Peru	Sol	.2800	.....	.....	6
Venezuela	Bolivar	.1930	.....	.....	—
Uruguay	Peso	1.0342			
	Controlled		.7307	.7307	—
	Uncontrolled		.4224	.4242	—
South Africa	Pound	4.8666	4.4600	4.4600	3 $\frac{1}{2}$
Egypt	Pound (100 Piastres)	4.9431	4.5800	4.5800	—
China (Shanghai)	Dollar	.....	.0559	.0639	—
Hongkong . . . . .	.....	.....	.2207	.2536	—
India	Ruppee	.3650	.3359	.3359	3
Japan	Yen	.4985	.2602	.2601	3.29
Java	Guilder	.4020	.....	.....	—
Thailand (Siam)	Baht (Tical)	.4424	.....	.....	—
Straits Settlements	Dollar	.5678	.5256	.5256	—
Australia	Pound	4.8666	3.5800	3.5800	3
New Zealand	Pound	4.8666	3.5900	3.5900	4

The Dominion Bureau of Statistics has supplied the following note:—

Official buying and selling rates set by the Canadian Foreign Exchange Control Board for sterling and United States funds remained unchanged during the week ended June 10 at \$4.43-\$4.47 and \$1.10-\$1.11 respectively. The Board announced that commencing June 7 official buying and selling rates would be set for the French franc at 2.50 $\frac{1}{4}$ -2.53 $\frac{1}{4}$ cents. Earlier in the week the franc had been quoted at approximately 2.0 cents. At New York sterling free market rates shot up from \$3.20 $\frac{1}{4}$ on June 3 to \$3.85 on the 7th but subsequently declined to \$3.53 by the close. Money dealers associated the advance with commercial short covering which in turn reflected announcement from London that the use of free sterling in payment for all British exports would now be eliminated. Sales of securities in England by non-residents of the sterling-franc area were also prohibited. During the same interval the Canadian dollar rate at New York advanced to a peak of 80 cents on the 6th though the close at 78 cents showed a net loss of $\frac{1}{2}$ cent on the week.

TRADE OPPORTUNITIES ABROAD FOR CANADIAN PRODUCTS

The Trade Inquiries for Canadian products published below have been received since the publication of the last issue of the *Commercial Intelligence Journal*. Interested exporters may secure the names and addresses of the firms making these inquiries, together with further details regarding the commodities required, on application to the Director, Commercial Intelligence Branch, Department of Trade and Commerce, Ottawa. or—

Secretary, Board of Trade—

Saint John, N.B.	Guelph, Ont.	Portage la Prairie, Man.
Halifax, N.S.	Kitchener, Ont.	St. Boniface, Man.
Quebec, P.Q.	Brantford, Ont.	Winnipeg, Man.
Montreal, P.Q.	Stratford, Ont.	Vancouver, B.C.
Toronto, Ont.	Woodstock, Ont.	New Westminster, B.C.
Chatham, Ont.	St. Mary's, Ont.	

Secretary, Chamber of Commerce—

Sherbrooke, P.Q.	Peterborough, Ont.	Victoria, B.C.
Kingston, Ont.	London, Ont.	Prince Rupert, B.C.
Oshawa, Ont.	St. Catharines, Ont.	
Belleville, Ont.	Hamilton, Ont.	

Windsor Chamber of Commerce, Windsor, Ont.

Commercial Intelligence Service, Department of Municipal Affairs, Trade and Commerce, Quebec.

Department of Industry, Brantford, Ont.

Industrial Commissioner, Stratford, Ont.

La Chambre de Commerce de Montréal, 25 St. James E., Montreal, P.Q.

Secretary, Canadian Manufacturers Association—

Toronto, Ont.	Winnipeg, Man.	Vancouver, B.C.
Montreal, P.Q.	Edmonton, Alta.	Victoria, B.C.

Director, Bureau of Industrial and Trade Extension, Department of Trade and Industry, Victoria, B.C.

Canadian exporters should, for follow-up purposes, transmit a copy of any reply sent in response to a Trade Inquiry to the Trade Commissioner in the territory from which the inquiry emanated.

Commodity	No.	Location of Inquirer	Purchase or Agency
Miscellaneous—			
Stationery.....	423	Cairo, Egypt.....	Purchase or Agency.
Buttons.....	424	Loughborough, Leicester, England.	Purchase.
Hosiery Needles.....	425	Bristol, England.....	Purchase or Agency.
Footwear (Ladies' and Men's)...	426	Bridgetown, Barbados.....	Agency.
Hosiery (Ladies' and Men's)...	427	Durban, South Africa.....	Agency.
Dresses and Blouses (Ladies')...	428	Durban, South Africa.....	Agency.
Pullovers, Underwear, Ties and Handkerchiefs (Men's).....	429-30	Durban, South Africa.....	Agency.
Towels, Quilts, Tapestries and Fabrics for Furnishings (Damasks, etc.).....	431	Durban, South Africa.....	Agency.
Textiles for Furnishings (Damasks, Tapestries, Brocaded Fabrics, etc.).....	432	Cape Town, South Africa..	Agency.
Toys.....	433	Bridgetown, Barbados.....	Agency.
Plywood.....	434	Tel Aviv, Palestine.....	Agency.
Wire, Fencing and Barbed.....	435	Cork, Ireland.....	Purchase.
Pine Tar.....	436	Bristol, England.....	Purchase or Agency.

COMMERCIAL INTELLIGENCE SERVICE

L. D. WILGRESS, *Director*

Argentina

J. A. STRONG, B. Mitre 430, Buenos Aires (1). (Territory includes Uruguay.) *Cable address, Canadian.*

Australia

Sydney: L. M. COSGRAVE. Address for letters—P.O. Box No. 3952V. Office—City Mutual Life Building, Hunter and Bligh Streets. (Territory includes the Australian Capital Territory, New South Wales, Queensland, Northern Territory and Dependencies.) *Cable address, Canadian.*

Melbourne: FREDERICK PALMER, 83 William Street, Melbourne, C.I. (Territory includes States of Victoria, South Australia, Western Australia, and Tasmania.) *Cable address, Canadian.*

Brazil

L. S. GLASS. Address for letters—Caixa Postal 2164, Rio de Janeiro. Office—Ed. Da. "A. Noite," Sala 802, Praca Maua. *Cable address, Canadian.*

British India

PAUL SYKES. Address for letters—P.O. Box 886, Bombay. Office—Gresham Assurance House, Mint Road, Bombay. (Territory includes Burma and Ceylon.) *Cable address, Canadian.*

British Malaya

J. L. MUTTER, Union Building, Singapore, Straits Settlements. (Territory includes the Straits Settlements, the Federated Malay States, the Unfederated Malay States, Thailand, British Borneo, and Netherlands India.) *Cable address, Canadian.*

British West Indies

Trinidad: M. B. PALMER. Address for letters—P.O. Box 125, Port of Spain. Office—Barclay's Bank Building. (Territory includes Barbados, Windward and Leeward Islands, and British Guiana.) *Cable address, Canadian.*

Jamaica: F. W. FRASER, P.O. Box 225, Kingston. Office—Canadian Bank of Commerce Chambers. (Territory includes the Bahamas and British Honduras.) *Cable address, Canadian.*

China

V. E. DUCLOS. Address for letters—P.O. Box 264, Shanghai. Office—Ewo Building, 27 The Bund, Shanghai. (Territory includes Central China and North China.) *Cable address, Canadian.*

Cuba

C. S. BISSETT. Address for letters—Apartado 1945, Havana. Office—Royal Bank of Canada Building, Calle Aguiar 367, Havana. (Territory includes Haiti, the Dominican Republic, and Puerto Rico.) *Cable address, Canadian.*

Egypt

HENRI TURCOT. Address for letters—P.O. Box 1770, Cairo. Office—22 Shari Kasr el Nil, Cairo. (Territory includes the Sudan, Palestine, Cyprus, Iraq, Syria, Iran, Greece, Turkey, Bulgaria, and Roumania.) *Cable address, Canadian.*

France

HERCULE BARRÉ, Commercial Attaché, 3 rue Scribe, Paris (9). (Territory includes French Colonies in North Africa.) *Cable address, Cancomac.*

Hongkong

P. V. McLANE. Address for letters—P.O. Box 80, Hongkong. Office—Hongkong and Shanghai Bank Building, Hongkong. (Territory includes South China, the Philippines, and Indo-China.) *Cable address, Canadian.*

Ireland

JAMES CORMACK, 66 Upper O'Connell Street, Dublin, Ireland (*cable address, Canadian*); and 36 Victoria Square, Belfast, Northern Ireland.

CANADIAN GOVERNMENT TRADE COMMISSIONERS—*Con.*

Japan

C. M. CROFT, Commercial Secretary. Address for letters—P.O. Box 18, Akasaka Post Office, Tokyo. Office—Canadian Legation, 16 Omotecho, 3-chome, Akasakaku, Tokyo. *Cable address, Canadian.*

Mexico

R. T. YOUNG. Address for letters—Apartado Num. 126-Bis, Mexico City. Office—Edificio Banco de Londres y Mexico, Num. 30, Mexico City. (Territory includes Guatemala, Honduras, and Salvador.) *Cable address, Canadian.*

New Zealand

W. F. BULL. Address for letters—P.O. Box 33, Auckland. Office—Yorkshire House, Shortland Street, Auckland. (Territory includes Fiji and Western Samoa.) *Cable address, Canadian.*

Panama

H. W. BRIGHTON. Address for letters—P.O. Box 222, Panama City. Office—98 Central Avenue, Panama City. (Territory includes the Canal Zone, Venezuela, Colombia, Nicaragua, and Costa Rica.) *Cable address, Canadian.*

Peru

M. J. VECHSLER. Address for letters—Casilla 1212, Lima. Office—Edificio Boza, Carabaya 831, Plaza San Martin, Lima. (Territory includes Bolivia, Ecuador, and Chile.) *Cable address, Canadian.*

South Africa

Cape Town: J. C. MACGILLIVRAY. Address for letters—P.O. Box 683. Office—New South African Mutual Buildings, 21 Parliament Street. (Territory includes Cape Province and Southwest Africa, Natal, Tanganyika, Kenya, Uganda, Mauritius, and Madagascar.) *Cable address, Cantracom.*

Johannesburg: J. H. ENGLISH. Address for letters—P.O. Box 715. Office—Prudential Assurance Building, 92 Fox Street. (Territory includes Transvaal, Orange Free State, the Rhodesias, Mozambique or Portuguese East Africa, and Nyasaland.) *Cable address, Cantracom.*

United Kingdom

London: FREDERIC HUDD, Chief Trade Commissioner in the United Kingdom, Canada House, Trafalgar Square, S.W.1. *Cable address, Sleighing, London.*

London: G. R. HEASMAN, Trade Commissioner, Canada House, Trafalgar Square, S.W.1. (Territory includes Home Counties, Southeastern Counties, and East Anglia; also British West Africa.) *Cable address, Sleighing, London.*

London: W. B. GORNALL, Fruit Trade Commissioner, Aldine House, Bedford Street, Strand, W.C.2. *Cable address, Canfrucum.* (Territory—for fresh fruit only—includes United Kingdom, Sweden, and France.)

London: G. R. PATERSON, Animal Products Trade Commissioner, Canada House, Trafalgar Square, S.W. 1. *Cable address, Agrilson.*

Liverpool: A. E. BRYAN, Martins Bank Building, Water Street. (Territory includes North of England, Lincolnshire, North Midlands, and North Wales.) *Cable address, Canadian.*

Bristol: E. L. MCCOLL, Northcliffe House, Colston Avenue. (Territory includes West of England, South Wales, and South Midlands.) *Cable address, Canadian.*

Glasgow: G. B. JOHNSON, 200 St. Vincent Street. (Territory covers Scotland.) *Cable address, Cantracom.*

United States

New York City: D. S. COLE, British Empire Building, Rockefeller Center. (Territory includes Bermuda.) *Cable address, Cantracom.*

Chicago: W. J. RIDDIFORD, Tribune Tower, 435 North Michigan Avenue. *Cable address, Canadian.*

Los Angeles: B. C. BUTLER, Associated Realty Building, 510 West Sixth Street. *Cable address, Canadian.*

Note.—Bentley's Second Phrase Code is used by Canadian Trade Commissioners.

Mr. Doe
Can

COMMERCIAL INTELLIGENCE JOURNAL

Vol. LXII

Ottawa, June 22, 1940

No. 1899



Shipment of Canadian Sole and Upper Leathers Outside a Warehouse
in Hongkong

ISSUED BY AUTHORITY OF
THE HON. JAMES A. MacKINNON, MINISTER OF TRADE AND COMMERCE
J. G. PARMELEE, DEPUTY MINISTER



CONTENTS

	Page
Trade Commissioners on Tour	967
Imports of Motor Vehicles into New Zealand, January-March	967
Australian Wheat and Flour	968
Trade of Portugal with Germany	968
Trade of Palestine in 1939	975
Export Opportunities in Argentina and Uruguay.....	978
Imports from Germany into Bolivia	980
Asbestos Situation in Japan	983
Representation in Mexican and Central American Markets..	985
Second Official Estimate of the Argentine Corn Crop.....	987
Control of Exports of Canned Lobster from Canada.....	987
Tariff Changes and Trade Regulations.....	987
Exchange Conditions in Foreign Countries—	
Netherlands India.....	994
Foreign Exchange Quotations.....	995
Trade Inquiries for Canadian Products.....	996
Commercial Intelligence Service.....	997

Issued Every Saturday by the Department of Trade and Commerce

PUBLISHED in English and French. Subscription Price for either edition: \$1 per annum in Canada (single copies 5 cents each); \$3.50 outside the Dominion (single copies 10 cents each). Remittances, which may be made by Post Office or Express Orders, or Drafts, or Cheques, payable at par in Ottawa, should be addressed to the King's Printer, Government Printing Bureau, Ottawa.

No. 1899

Mr. M. B. Palmer, Canadian Trade Commissioner at Port of Spain, Trinidad (whose territory includes Barbados, Windward and Leeward Islands, and British Guiana), and Mr. F. W. Fraser, Canadian Trade Commissioner at Kingston, Jamaica (whose territory includes the Bahamas and British Honduras), are on tour in the Dominion in the interest of Canadian trade with their territories. Following are their itineraries:—

Brantford	July 18
Guelph	July 19
Kitchener	July 20
Stratford, Woodstock and Ingersoll	July 22
London	July 23
Chatham and district	July 24
Walkerville	July 25

Niagara Falls, St. Catharines, Grimsby and	July 12	
Winona	July 13	to 16
Hamilton and district.	July 17	
Galt and district	July 18	and 19
Kitchener and district.	July 20	
Guelph and district	July 22	
Port Hope, Cobourg and Peterborough	July 23	
Belleville and district.	July 24	
Kingston, Gananoque and Brockville.	July 25	and 26
Ottawa	July 25	and 26

The imports consisted of 400 private motor cars valued at \$208,389 and 494 commercial vehicles valued at \$386,095. The United Kingdom was

credited with \$316,393 of the total value of imports, Canada with \$263,062, and the United States with \$14,086. Australia and Czecho-Slovakia, with one each, were the only other countries supplying cars, the values being \$720 and \$223 respectively.

All of the passenger cars imported, except 35, entered New Zealand in an unassembled or completely knocked-down condition. The United Kingdom supplied 393 of these, consisting of 365 unassembled and 28 completely finished cars, their total value being \$204,368. Five assembled cars came from the United States; the other two, as already indicated, were imported from Australia and Czecho-Slovakia.

Canada supplied 398 commercial vehicles valued at \$263,062. Only two of these were imported as assembled units. Eighty-six commercial vehicles were purchased from the United Kingdom and ten from the United States. The chassis from the United Kingdom and the United States were unassembled.

AUSTRALIAN WHEAT AND FLOUR

Mr. Frederick Palmer, Canadian Trade Commissioner at Melbourne, cabled on June 18 with respect to the wheat and flour situation in Australia as follows:—

Sales of wheat by the Australian Wheat Board to date amount to 115,500,000 bushels. Seventy-seven million bushels of wheat and 21 million bushels of flour in terms of wheat have been sold for shipment overseas, 30 million bushels remaining unshipped. Current prices fixed by the Wheat Board on trucks at the terminal port are 4s. 3d. per bushel bagged (approximately 75 cents Canadian) and 4s. per bushel bulk. Government receipts to date amount to £8,250,000 against advances of £23,500,000 to growers. An unsold carry-over of 15,500,000 bushels only is anticipated and, with the settlement of the coal strike, the normal movement of grain from the country has been resumed with the consequent removal of fear of plague. Sowings for coming season have begun and a fair area has been seeded under satisfactory conditions. Rain is awaited in all wheat areas before further sowings become general, especially in Western Australia where acreage may be reduced as a result of poor moisture conditions. There is very little demand for flour, inquiry from the Orient being exceptionally quiet. Export quotations for flour are £9 12s. 6d. (equivalent to \$33.88 Canadian) per ton in 49-pound calico bags and £9 5s. (equivalent to \$32.56 Canadian) per ton in 150-pound sacks. Very little tonnage apart from Empire vessels is available and there is little evidence of United States steamers becoming available for voyage charters.

TRADE OF PORTUGAL WITH GERMANY

A. B. MUDDIMAN, CANADIAN TRADE COMMISSIONER

(The value of the escudo in 1937 was approximately \$0.04 Canadian; one kilo equals 2.2 pounds; one metric ton equals 2,204 pounds.)

Milan, April 16, 1940.—The leading foreign suppliers to Portugal have always been the United Kingdom, the United States, France, Germany, and Belgium. Since 1934 Germany has been quietly making a trade drive on the Portuguese market. Her trading position rapidly advanced until in 1937 it was second to that of the United Kingdom. This advance was effected by a number of the well-known German weapons for trade extension: depreciated currency, compensation agreements, long-term credits, direct and frequent steamship services, and a steadily increasing influx of German nationals.

In 1937, the latest year for which official trade statistics by countries are available, Germany supplied 14.96 per cent of Portuguese imports and pur-

chased 10.88 per cent of Portuguese exports. The United Kingdom, which occupies first place among countries trading with Portugal, was credited with supplying 18.4 per cent of Portugal's imports and with taking 21.48 per cent of her exports. In the same year Canada supplied 0.30 per cent of Portugal's imports and took 0.63 per cent of her exports. Canada produces a wide range of commodities which could possibly replace those formerly obtained from Germany. There are, however, various reasons why this field is not so rich in opportunity as statistics would seem to show.

Prior to the outbreak of the war the Portuguese trading position was not at all healthy. It was then that Germany bought large quantities of Portuguese products, such as canned sardines, which helped to readjust the somewhat parlous state of the Portuguese commodities market, and Portugal looked forward to an increasing commerce with Germany. Imports from Germany were most favourably regarded on account of the long credit terms granted.

When war broke out the situation rapidly changed. The trade activities of the Reich's businessmen were hampered by a lack of ready funds and foreign exchange. Portuguese bankers became chary of handling export business until sanctioned by the Portuguese Ministry of Commerce. Nevertheless, so deep had become the German penetration into the commercial life of Portugal that many traders regretted the scarcity of German exports and endeavoured by circuitous methods to obtain further supplies. By October, 1939, German imports had been halved—12,450,000 escudos as against 26,197,000 escudos. The Allied blockade of German exports dealt a further heavy blow to German-Portuguese trade.

GERMAN TRADING METHODS

The use of circuitous routes was resorted to for shipping German goods through the Mediterranean to Portugal. Italy concluded with Portugal a new trade agreement allowing for larger quotas and a far greater total trade than had previously been carried on between the two countries. Germany, therefore, is not yet completely out of the Portuguese market, since certain of her goods still arrive through non-belligerent countries. In some respects Portuguese trade with Germany is increasing. Although bulk goods no longer arrive from Germany by sea, small light goods, such as furs, drugs and dyestuffs, scientific instruments, etc., come regularly through Italian ports, and more costly materials are brought in by air. The recent increase in the Italian-Spanish air service does not seem to be justified by the ordinary trade between Spain and Italy. Furs on display in Lisbon have come from Leipzig by air. Germany, in an effort to obtain foreign exchange, has organized her fur industry. Two large cartels have been formed, one being composed of sixteen importing firms and the other of twenty. Germany has not failed to note that the heavy increase in the price of furs provides a suitable method of obtaining foreign exchange. On the other hand, Portuguese resinous materials, cork, edible oils, tinned fish, and dried fruits are being shipped under the new Italo-Portuguese agreement in ever-increasing quantities to Genoa and Trieste. The latter port is particularly favoured because there is a free port section. It is highly improbable that the final destination of these goods is Italy.

Owing to the fact that complete trade figures are no longer published by the National Institute of Portuguese Statistics, it is difficult to arrive at a satisfactory estimate of the volume of trade between Portugal and Germany. Undoubtedly large numbers of expensive medicines, optical lenses, etc., which have always been German specialties, are still finding a market in Portugal. On the other hand, German bulk goods, such as iron, steel, coal, beer, etc., have ceased to enter the market. These, of course, accounted for the largest portion of German trade in peace time. On account of the rise in prices of optical goods, scientific appliances, pharmaceutical remedies, etc., Germany can still obtain foreign exchange.

IMPORTS FROM GERMANY BY MAIN CATEGORIES

As has already been explained, the latest available official statistics are for 1937. In that year Portuguese imports from Germany amounted to 384,715 metric tons valued at 353,831,282 escudos. In the same year total Portuguese imports from all foreign countries were valued at 2,100,360,749 escudos. Germany's share of Portugal's total trade, therefore, was over one-sixth.

On the other hand, Portuguese exports to Germany in 1937 were valued at only 131,158,656 escudos. The balance of trade was, therefore, in Germany's favour to the amount of 222,672,626 escudos.

In Portuguese statistics imports are divided into six major categories. The first of these, live animals, is of no interest to Canada, as imports into Portugal from Germany in 1937 comprised only nine head valued at 10,400 escudos. The values of German shipments to Portugal of the others were as follows: raw materials, 145,617,011 escudos; miscellaneous manufactures, 111,332,913 escudos; apparatus, machinery and implements, 81,692,096 escudos; yarns, fabrics, felts, etc., 10,122,760 escudos; food and drink, 5,056,102 escudos.

RAW MATERIALS

In 1937 the principal imports from Germany into Portugal under the heading "raw materials" were as follows, figures for total imports being also shown for comparative purposes:—

	Imports from Germany		Total Imports	
	Tons	Escudos	Tons	Escudos
Coal	250,173	33,259,835	1,112,119	160,056,282
Anthracite	47,435	7,507,436	195,488	31,515,643
	Kilos		Kilos	
Fertilizers	11,461,850	17,008,650	20,478,651	20,775,782
Wrought iron or steel, coated with other metals	5,687,742	14,456,324	35,187,965	80,435,856
Dyes, not prepared	590,020	12,376,368	1,758,503	25,424,626
Iron and steel wire	7,141,137	11,663,815	20,757,041	33,737,991
Iron and steel n.o.p.	5,933,730	9,449,353	99,333,840	116,240,924
Copper and alloys	706,999	5,750,236	3,920,892	26,698,497
Chemical products and medicines	391,966	3,365,583	994,531	6,896,347
Hides and skins, raw or prepared, dry	19,355	2,863,916	91,077	11,562,076

The items listed above accounted for about 70 per cent of the total value of all goods imported into Portugal from Germany in 1937. In addition a wide variety of goods was imported, particularly of metals and chemicals. Germany supplied Portugal with raw cotton, rubber, nickel, asbestos, mica, oils, infusorial earths, aluminium, antimony, mercury, zinc, explosives, lumber, etc. A number of items of interest to Canadian exporters, such as nickel, copper, rubber, and asbestos, were re-exports from Germany to Portugal. However, purchases of asbestos from Canada are now being effected without a German intermediary. Therefore, if Canadian shippers are in a position to supply the Portuguese market, there are opportunities for direct sales of nickel, copper, zinc, and other products.

Germany supplied Portugal with practically every type of chemical, including acetates, acids, alcohols (amyl, ethyl and methyl), hydrates, nitrates, benzoates, carbonates, bicarbonates, bromides, chlorates, cyanides, explosives, fluxes, phosphates, glycerophosphates, iodides, nitrobenzine, nitrotoluenes, oxides, salicylates, sulphates, silicates, sulphites, tartrates, etc. An opportunity is now afforded Canadian firms of supplanting German suppliers of these products in the Portuguese market. It should be borne in mind, however, that a large number of the traders in Portugal dealing in these products are of German origin, and they will tend to revert to their former source of supply when hostilities cease. As has already been stated, a number of these products are still arriving from Germany but in decreasing quantities.

Of the items listed above, however, there are only a few of Canadian origin for which a market in Portugal could be maintained. One of these is yellow oxide of iron. Chemicals and chemical preparations which Canadian exporters have been successful in selling to Germany can now be shipped to Portugal. The Portuguese market is relatively small, but, if direct trade can be obtained, exporters will be saved all exchange difficulties and will also have the advantage of dealing directly with their purchasers, thus reducing the cost of their products by eliminating the commission to German middlemen.

YARNS, FABRICS, FELTS, ETC.

In 1937 the eight leading imports into Portugal from Germany under the heading "yarns, fabrics, felts, etc.," were as follows:—

	Imports from Germany		Total Imports	
	Kilos	Escudos	Kilos	Escudos
Silk yarns	37,310	2,016,341	768,260	20,519,093
Velvets, plush and velvety fabrics, dyed..	6,763	558,413	21,569	1,443,823
Wool yarn n.o.p.	8,153	456,405	12,950	775,458
Sacks and bales for packing goods	272,980	455,982	3,788,389	8,223,537
Heavy wool fabrics	5,524	450,950	10,170	878,720
Cotton yarn	4,890	411,695	60,406	5,104,980
Felts, sheets 400 to 1,000 grams per square metre	10,005	401,805	11,286	466,155
Industrial fabrics	9,101	391,886	96,842	3,223,476

There is obviously little opportunity for Canadian firms in these lines. Inquiries have been received as to silk yarns from Canada.

FOODSTUFFS

The imports of German foodstuffs into Portugal in 1937 amounted to 3,924 metric tons. The ten leading articles supplied by Germany in this category were:—

	Imports from Germany		Total Imports	
	Kilos	Escudos	Kilos	Escudos
Potatoes	3,359,161	3,407,811	13,220,227	9,487,533
Bacalhau (codfish)	478,293	1,103,104	34,945,023	95,669,062
Beer	17,064	44,820	38,338	113,366
Chocolate	1,891	44,375	13,826	267,766
Candies, not specified	2,448	36,596	48,015	553,143
Malt extracts	1,292	33,230	38,010	667,885
Hams, bologna, sausage	520	24,535	30,615	442,700
Wine	1,362	21,513	14,121	114,429
Farinaceous foodstuffs n.o.p.	12,041	19,730	1,122,817	1,496,904
Sugar (Portuguese process)	11,250	16,800	11,246,791	16,045,159

An examination of the above list shows that over 95 per cent of the total food imports from Germany were either German specialties or low-price goods in bulk shipped to obtain Portuguese exchange. In the first class should be included German lager beer, Rhine wines, liver sausages, etc. Undoubtedly the Portuguese imported potatoes, codfish, chocolates, candies, farinaceous foodstuffs, sugar, etc., from Germany because the prices charged were particularly attractive. Further the Germans offered these prices because they needed Portuguese funds to purchase cork, wolfram, sardines, etc. from Portugal. The peasant market in Portugal—90 per cent of the population—can only afford the cheapest chocolates and sweetmeats, and price is the primary factor in all purchases.

The other main articles imported under this category were fish oils, syrups, butter, children's foods, canned milk, glucoses, etc. Canadian exporters of these lines must bear in mind that imports into Portugal from Germany were cheap goods of poor quality for a low-price market. For example, Canada will not be able to replace Germany in the sales of chocolate. Low-grade chocolate is supplied by Belgium or other manufacturing countries producing a poor-quality product for a low-price market.

Probably the only two items listed above that may be of interest to Canada are farinaceous foodstuffs and codfish, but there are difficulties in shipping these Canadian products to this market.

The imports of farinaceous foodstuffs from Germany may have been rye flour, as these shipments are not included under the item "wheat flour." All wheat flour imported in 1937 into Portugal came from the following countries: Argentina, 89,010 kilos; United States, 588,839 kilos; England, 1,383,109 kilos; Canada, 51,871 kilos.

All imports of wheat flour into Portugal are allowed by special decree only. Each year a limited quantity of wheat flour is allowed in as ship's stores for the Portuguese fishing fleet leaving for the Banks, and further occasional small lots are authorized for the Islands of Madeira and the Azores.

Since the Portuguese Gremio for codfish has been making all purchases of this product and the old free trading system has been shelved, Canada has not been able to make any sales because the price offered has been below the fisherman's cost of production. Further, no margin in price has been allowed for the superior quality of Gaspé cure. The Gremio in Portugal has operated solely to lower prices of supplying countries. As the latter have not yet realized the necessity of combining to resist this practice, the Gremio, particularly in the case of Newfoundland, has been able to dictate its own terms. An aggressive reaction on the part of the supplying countries in combination would probably have resulted in more reasonable prices being offered.

German imports of codfish into Portugal are, therefore, not of great interest to Canada. The situation can be partly gauged by examining the imports by countries in 1937, which were as follows: Germany, 478,293 kilos; Denmark, 893,820; Finland, 592; France, 60,936; England, 844,634; Canada, 38; Newfoundland, 5,006,614; Eire, 264,000; Iceland, 11,439,421; Norway, 15,936,183; Holland, 442 kilos.

Of the above eleven countries, seven will no longer be carrying on fishing operations under normal conditions.

The Scandinavian countries, owing to wartime conditions, will have difficulty in making deliveries. There will, however, remain Newfoundland, the Faroe Islands (under British control) and Iceland. Probably the time is opportune for some understanding to be arrived at between these suppliers in regard to the Gremio's prices. The Portuguese national fishing fleet cannot satisfy the market. The success of the Gremio's policy has only been due to the fact that the supplying countries have undersold each other, with the exception of Canada whose trade in codfish to Portugal has always been a special one.

It will be difficult for Canada to improve her position as a supplier of foodstuffs to Portugal unless there is a poor local wheat crop. In view of the fact that the main sources of Portugal's wealth are agriculture and fishing, it is somewhat unusual that she should be so large an importer of foodstuffs. With the exception of wheat, codfish and rice, the most valuable of Portuguese imports (maize, sugar and coffee) come from the Portuguese colonies and not from foreign sources of supply. In the codfish trade, Portugal has been attempting for some time to increase supplies through the operations of her national fishing fleet in order to eliminate imports.

Following is a summary of the imports into Portugal from Germany in 1937 of some of the more important items under main headings. Quantities only are given, generally in kilograms or units, figures of total Portuguese imports being shown within parentheses:—

ANALYSIS OF IMPORTS UNDER MAIN GROUPS

APPARATUS, INSTRUMENTS, MACHINERY AND IMPLEMENTS

Electric Accumulators and Condensers.—From Germany, 20,160 kilos (total, 344,530 kilos). The United States is the principal source of supply.

Electric Loud Speakers.—705 kilos (8,175 kilos). Since Germany has been eliminated, the United States is the sole supplier.

Cinematograph Apparatus.—507 kilos (2,438 kilos).

Radio-electric Receiving and Transmitting Apparatus, Amplifiers, etc.—37,551 kilos (294,808 kilos). Imports have been mostly from the United States and Holland.

Telephonic and Listening Apparatus.—1,929 kilos (20,091 kilos).

Agricultural Machinery including Churns, Reapers, Ploughs, etc.—65,495 kilos (423,871 kilos). Following the United Kingdom, Germany was next in importance among suppliers. In 1937 shipments from Canada totalled 3,829 kilos. Germany's predominant position in the market was due to her practice of shipping on consignment and extending long-term credits, in some cases seven years. The Portuguese market for modern agricultural equipment is not large.

Clothes-washing Machinery.—1,041 kilos (9,696 kilos). The United States was the leading supplier.

Refrigerators.—2,127 kilos (57,721 kilos). The bulk of the imports came from the United States.

Scales and Balances.—Automatic, 3,426 kilos (28,582 kilos); precision, 794 kilos (925 kilos); n.o.p., 7,645 kilos (14,225 kilos); large, 12,228 kilos (57,822 kilos).

Pumps, weighing up to 50 kilos.—25,263 kilos (49,338 kilos).

Borers (Brocas).—8,381 kilos (12,883 kilos).

Printing Type and Ornaments.—17,646 kilos (19,693 kilos).

Carbon for Electrical Purposes.—59,978 kilos (111,497 kilos).

Sensitized Plates, etc., for Photography.—Glass, 9,723 kilos (22,460 kilos); n.o.p., 31,122 kilos (117,081 kilos).

Meters for Gas, Liquids and Electricity.—67,147 kilos (106,071 kilos). This line may offer opportunities for Canadian exporters.

Compressors, Condensers, Evaporators, Collectors and Separators for Cold-storage Plants.—15,342 kilos (56,471 kilos).

Transmission Belting.—Leather, 199 kilos (4,758 kilos); n.o.p., 8,745 kilos (96,613 kilos). The United Kingdom controls the trade in the latter item.

Dynamometers.—4,169 kilos (6,200 kilos).

Fire-brigade Ladders of the Magyrus Type.—2,537 kilos (2,537 kilos). Imports were entirely from Germany.

Balls, Cylinder Lining and Small Cylinders of Iron, Steel or Porcelain, for Crushing Machines and Mills.—401,785 kilos (510,621 kilos.)

Electric Generators, Motors and Transformers, Rheostats and Interrupters.—Not less than 2 kilos and up to 100 kilos each, also parts, 108,209 kilos (265,885 kilos); under two kilos or over 100 kilos, 77,555 kilos (214,335 kilos).

Steam Generators.—27,603 kilos (63,444 kilos).

Instruments and Apparatus, Calculating, Observation and Precision.—23,054 kilos (65,255 kilos).

Instruments and Apparatus, Surgical and for Therapeutic Purposes.—11,757 kilos (21,438 kilos).

Gymnasium Appliances, Fencing, Swimming Equipment, and Fire Extinguishers.—2,025 kilos (8,087 kilos).

Equipment for Chemical Laboratories.—2,589 kilos (4,299 kilos).

Agricultural and Horticultural Tools.—275,529 kilos (657,968 kilos).

Metal Heddles.—686 kilos (1,832 kilos).

Glass or Emery Paper.—11,171 kilos (26,446 kilos).

Photographic Apparatus.—5,347 kilos (8,474 kilos).

Insulating Material.—With metal fittings, 27,457 kilos (52,784 kilos); without metal fittings, 32,836 kilos (63,293 kilos).

Polishing, Diminishing and Whetting Wheels.—19,273 kilos (55,261 kilos).

Telescopes and Binoculars.—1,612 kilos (14,957 kilos). The United Kingdom leads all suppliers because the bulk of these articles are for marine purposes.

In machinery unspecified and parts Germany did a large business. As it is not possible to identify the machines from the statistical lists, figures for these are omitted.

Electric Batteries.—Dry, 17,728 kilos (60,061 kilos); n.o.p., 4,533 kilos (7,172 kilos).

Pencils, Painting Brushes, etc.—3,284 kilos (6,016 kilos).

Electric Control Boards.—4,371 kilos (12,734 kilos).

Band Saws and Drills.—430 kilos (1,779 kilos).

Thermometers.—1,137 (2,262 kilos).

CRAFT AND VEHICLES

Solid Rubber Tires for Lorries.—1,837 kilos (4,003 kilos).

Motor Ambulances.—10 units (14).

Freight Trucks.—With bodies, 28 units (209); without bodies, 57 units (1,000).

Passenger Automobiles.—Up to 1,050 kilos, 637 units (2,428); between 1,050 and 1,600 kilos, 22 units (1,061); between 1,600 and 2,000 kilos, 1 unit (46).

Inner Tubes and Outer Covers of Rubber for Tires.—42,495 kilos (1,118,066 kilos). Canada supplied 242,804 kilos in 1937.

Rolling Stock for Standard and Narrow-gauge Railways.—303,422 kilos (1,166,468 kilos).

Locomotives, etc.—83,304 kilos (85,895 kilos).
Trucks and Bearings, Springs, Axles and Wheels.—226,582 kilos (283,774 kilos).
Rolling Stock, n.o.p.—346,900 kilos (614,551 kilos).
Motorcycles.—49 units (283).
Vehicle Parts.—30,656 kilos (303,246 kilos).
Bicycles and Parts.—30,708 kilos (178,132 kilos).

NON-METALLIC MINERAL MANUFACTURES

Asbestos Manufactures.—13,425 kilos (65,567 kilos).
Roofing, Plain.—290,048 kilos (2,690,837 kilos).
Lamp Chimneys of Glass.—5,108 kilos (7,046 kilos).
Bottles or Demijohns of Glass.—116,676 kilos (434,322 kilos).

METAL MANUFACTURES

Pins, Clasps, Buckles, Hair Slides, Needles, Thimbles, Eyelets for Footwear; Belt, Corset, Garter and Braces Fastenings, etc.—28,802 kilos (41,291 kilos). Canada shipped 44 kilos in 1937.

Vacuum Cleaners, Waxers and Parts.—2,960 kilos (10,710 kilos).
Metal Collapsible Tubes, Empty.—9,552 kilos (23,877 kilos).
Chains, All Types and Cables.—255,849 kilos (650,194 kilos).
Cutlery, also for Surgical Purposes.—33,983 kilos (41,402 kilos).
Electric Irons.—11,039 kilos (12,524 kilos).
Wire for Umbrella Frames.—143,170 kilos (153,921 kilos).
Bits, Curbs and Horseshoes.—595 kilos (1,039 kilos).
Iron or Steel Wool or Straw.—2,154 kilos (5,611 kilos).
Screws, n.o.p.—95,460 kilos (174,429 kilos).
Nails, n.o.p.—37,784 kilos (164,490 kilos).
Aluminium.—Tubes and pipes, 1,038 kilos (6,946 kilos); wares, 4,291 kilos (9,062 kilos). Canada shipped 217 kilos in 1937.

Lead Wares, n.o.p.—3,380 kilos (26,284 kilos).
Copper and its Alloys, Taps and By-pass Valves.—4,403 kilos (8,294 kilos); tubes, 151,161 kilos (323,200 kilos); nails, 12,810 kilos (28,052 kilos); n.o.p., 74,284 kilos (160,843 kilos).

Iron and Steel.—Pipe-bends, joints and plugs, 248,439 kilos (664,914 kilos); cast iron wares, 42,444 kilos (80,066 kilos); cast-iron wares coated in any form, 63,460 kilos (166,472 kilos); pipes or tubes, n.o.p., 1,920,576 kilos (8,013,445 kilos); drums, 262,453 kilos (1,491,514 kilos); wire manufactures, 28,015 kilos (91,529 kilos); wares, n.o.p., 215,674 kilos (333,802 kilos).

PAPER

Postcards in Sheets or Cut.—4,240 kilos (8,814 kilos).
Cardboard and Paperboard Sheets or Strips.—307,479 kilos (1,353,399 kilos).
Blank Books, Stitched or Bound.—2,764 kilos (5,262 kilos).
Newsprint in Reels.—81,039 kilos (9,522,258 kilos): Norway supplied the bulk, 8,874,775 kilos. If Canadian mills can produce the required weights, there is an opportunity for sales.
Paper, Ruled; Notepaper; Envelopes, etc.—4,580 kilos (9,922 kilos).
Wallpaper.—21,201 kilos (91,396 kilos). The bulk of the German shipments were so-called oatmeal paper, i.e. wallpaper in process of manufacture. There is a market for the Canadian product.
Carbon Paper.—8,584 kilos (20,034 kilos).
Filtering Paper.—264,516 kilos (1,011,969 kilos).

MISCELLANEOUS MANUFACTURES

Adhesive Plasters.—3,476 kilos (9,958 kilos).
Bobbins and Spools for Spinning and Weaving.—7,085 kilos (21,148 kilos).
Buttons.—8,073 kilos (31,626 kilos).
Toys and Games.—39,688 kilos (67,872 kilos).
Cartridges, Loaded.—549,816 kilos (568,016 kilos).
Celluloid, Galalith, Bakelite, etc.—10,293 kilos (18,943 kilos). Canada shipped 9 kilos in 1937.

Glues and Mastics.—48,843 kilos (105,896 kilos).
Tooth Brushes.—11,469 units (108,567 units).
Cases, not Fitted.—2,081 kilos (3,840 kilos).
Insulated Metal Wire or Cables, for Electrical Purposes.—Up to 120 grams per metre, 25,193 kilos (43,329 kilos); over 120 grams per metre, 195,353 kilos (291,787 kilos); with asbestos or with asbestos and textile yarns, etc., 519,908 kilos (1,426,508 kilos); with rubber covering, 152,884 kilos (263,012 kilos).

Small lines, such as cruet stands, key chains and rings, portrait stands, strainers, egg whisks, bird cages, razor strops, nail polishers, nut crackers, corkscrews, fly traps, clothes pins, syringes, toilet sprays, petroleum heaters, sherbet pails, coffee machines, bells, tin openers, lighters, etc., were imported to the extent of 30,735 kilos (69,391 kilos).

Musical Instruments n.o.p.—9,190 kilos (12,679 kilos); pianos, 49 units (49).
Electric Lamps.—19,410 kilos (93,770 kilos).
Lanterns.—26,362 kilos (37,617 kilos).
Incandescent Mantles.—423 kilos (580 kilos).
Railway Washers, Nuts, Fish-plates, etc.—1,328,427 kilos (3,805,354 kilos).
Office Requisites and Parts.—45,244 kilos (67,672 kilos); writing ink, 18,639 kilos (33,411 kilos).
Paints, n.o.p.—50,050 kilos (464,057 kilos).

TRADE OF PALESTINE IN 1939

HENRI TURCOT, CANADIAN TRADE COMMISSIONER

[One Palestine pound (£P.) is equal to £1 sterling.]

Cairo, April 18, 1940.—According to official statistics, imports into Palestine (excluding military and N.A.A.F.I. stores) were valued at £P.14,632,822 in 1939 as compared with £P.11,356,963 in 1938, showing an increase of £P.3,275,859 or 28·8 per cent. The increase was largely due to a rise in the importation of wheat, seeds for extracting oils, iron and steel products, and machinery. Exports amounted to £P.5,117,769 against £P.5,020,368 in 1938, an advance of £P.97,401 or 1·9 per cent. Exports of potash increased substantially, but citrus fruit exports were considerably below those of the preceding year. As usual the balance of trade was unfavourable, the deficit rising from £P.6,336,595 in 1938 to £P.9,515,053 in 1939.

TRADE BY CLASSES AND GROUPS

Imports of merchandise into Palestine by classes and groups in 1939 and 1938 were as follows:—

Imports into Palestine by Classes and Groups

	1939 £P.	1938 £P.
Total merchandise	14,632,822	11,356,963
Food, drink and tobacco	3,755,794	3,209,287
Grain and flour	1,246,305	968,857
Feeding stuffs for animals	61,776	40,975
Meat	146,836	60,231
Animals, living, for food	352,261	418,857
Dairy produce	508,419	487,327
Fresh fruits, nuts and vegetables	347,881	353,101
Beverages	59,454	36,649
Other foods	963,038	779,647
Tobacco and tobacc	69,824	63,643
Raw materials and articles mainly unmanufactured	1,480,914	1,138,375
Coal	102,258	80,298
Other non-metalliferous mining and quarry products	115,839	66,860
Wood and timber	433,032	382,278
Textile materials	59,240	37,801
Seeds, beans and nuts for oil, oils, fats, gums and resins	641,151	493,352
Hides and skins, undressed	16,698	7,632
Miscellaneous raw materials and articles mainly unmanufactured	112,589	69,354
Articles wholly or mainly manufactured	9,362,443	6,978,617
Coke and manufactured fuel	22,888	19,276
Ceramic ware, glass and manufactured quarry products	286,987	318,346
Iron and steel and manufactures thereof	1,912,427	845,883
Non-ferrous metals and manufactures thereof	173,465	164,150
Cutlery, hardware, implements, instruments and photographic film	247,865	239,440
Electrical goods and apparatus	313,311	262,461
Machinery	916,282	580,412
Manufactures of wood and timber	702,606	694,628
Cotton yarns and manufactures	581,924	498,877
Woollen and worsted yarn and manufactures thereof	245,094	223,773
Silk yarn, artificial silk yarn and manufactures thereof	235,794	197,765
Manufactures of textile materials, other	155,997	132,378
Apparel	460,993	335,617

Imports into Palestine by Classes and Groups—Concluded

	1939 £P.	1938 £P.
Articles wholly or mainly manufactured— <i>Concluded</i>		
Chemicals, drugs, dyes and colours	354,408	328,129
Oils, fats and waxes, manufactured	566,532	446,085
Leather and manufactures thereof	150,802	110,705
Paper and cardboard and manufactures thereof	296,422	304,436
Aircraft, ships and vehicles	439,184	434,765
Rubber manufactures	158,109	104,888
Miscellaneous articles, wholly or mainly manufactured	1,141,353	736,603
Living animals, not for food	33,671	30,684

All classes of merchandise imported into Palestine showed increases, that including articles wholly or mainly manufactured making the greatest advance. Exports of raw materials and articles mainly unmanufactured declined, but those of all other main classes increased slightly.

Exports of Palestinian products by main classes were as follows in 1939 and 1938:—

Exports from Palestine by Main Classes

	1939 £P.	1938 £P.
Total merchandise	5,117,769	5,020,368
Food, drink and tobacco	4,191,674	4,172,078
Raw materials and articles mainly unmanufactured . .	159,484	207,912
Articles wholly or mainly manufactured	765,255	639,604
Living animals, not for food	1,356	774

TRADE BY COUNTRIES

Imports into Palestine by leading countries in 1939 and 1938 were as follows:—

Imports into Palestine by Leading Countries

	1939 £P.	1938 £P.
Total	14,632,822	11,356,963
United Kingdom	2,931,250	1,495,800
Other British countries	896,370	726,417
United States	1,953,457	969,573
Germany	1,621,929	1,770,752
Syria	1,355,203	1,014,953
Roumania	1,200,217	1,253,021
Egypt	599,648	405,249
Poland	599,455	419,478
Belgium	361,139	338,568
Japan	343,844	303,402
Netherlands Indies	318,814	160,258
France	296,402	207,774

The United Kingdom was the leading supplier, Germany dropping to second place.

The following table shows the distribution of exports of Palestinian produce by leading countries in 1939 and 1938:—

Exports from Palestine by Leading Countries

	1939 £P.	1938 £P.
Total	5,117,769	5,020,368
United Kingdom	2,440,098	2,468,854
Holland	452,098	402,040
Syria	389,223	412,825
Belgium	314,416	229,539
Sweden	178,183	171,881
France	165,535	82,413
United States	145,772	108,541
Poland	135,460	133,981
Roumania	132,345	115,966
Egypt	97,350	101,725
Norway	84,639	124,144

As in the past, the United Kingdom was the leading purchaser of Palestine merchandise. Syria lost second place to Holland.

TRADE WITH CANADA

Palestine statistics give the value of imports from Canada at £P.191,947 in 1939 as against £P.121,937 in 1938, a gain of £P.70,010, and the value of exports to the Dominion at £P.7,112 as against £P.19,643, a loss of £P.12,531. There was a balance of trade in favour of Canada of £P.184,835 in 1939 as against £P.102,294 in 1938, an increase of £P.82,541.

In the absence of detailed figures in Palestine statistics regarding imports from Canada, the values of the Dominion's exports to Palestine for the calendar years 1939 and 1938, as issued by the Dominion Bureau of Statistics, are shown in the following table:—

Canadian Exports to Palestine

	1939	1938
Total	\$229,981	\$163,724
Flour of wheat	69,732	10,276
Cereal food	5,007	4,100
Pneumatic tire casings	99,374	108,500
Inner tubes	11,439	9,276
Rubber hose	7,605	247
Clothing, rubber	1,609	838
Herrings, sea, canned	2,669	1,764
Salmon, canned	525	707
Sardines	5,373	3,506
Patent leather	2,727	2,785
Milk, processed	1,650	1,634
Silk and manufactures	281	1,258
Shooks of wood . . . . .	.....	1,336
Wood, manufactured (mostly staves and headings)	2,377	1,094
Pulp and fibre wall boards	1,389	6,818
Paper and manufactures, other	897	212
Books and printed matter	813	218
Ploughs and parts . . . . .	.....	633
Other farm implements . . . . .	.....	4
Hardware	36	105
Machinery, other than farm	7,609	533
Automobile parts . . . . .	.....	50
Electrical apparatus	2,433	3,753
Asbestos and manufactures	931	.....
Feldspar . . . . .	.....	1,500
Medicinal preparations	1,497	323
Other chemicals	551	.....
All other articles	3,457	2,254

PALESTINE'S ECONOMIC POSITION

Palestine, says *Great Britain and the East*, again showed a remarkable buoyancy in its economic development during 1939, despite the stress of internal unrest during the first eight months, and of war during the last four months.

It looked until September as if there was to be a general recovery of the trade and industry which had been affected during the previous two years by the troubles. The shock of war could not leave Palestine unscathed. There was for a time an unprecedented run on the banks, which was eventually checked by Government legislation. Wholesale prices and the cost of living, which had been steadily falling, inevitably rose, in spite of attempted Government control. There was a general restriction of the granting of credits.

Most serious of all, the citrus industry, which, both for Arabs and for Jews, is the principal resource of the country, was hard hit because of the difficulties of marketing and shipping the crop.

The Government has come to the help of both communities with a program of grants-in-aid up to an amount of £750,000 to relieve unemployment. The Jewish community met their own problem by introducing a voluntary tax at the outbreak of war in order to provide a fund for similar purposes; and it is striking that during the last year the amounts subscribed to the public funds of the Jewish Agency for constructive work in Palestine reached a record total. The two principal funds for acquisition of land and colonization received together about £1,250,000.

Several schemes have been mooted for the adjustment of the peculiar Palestine economy to the new conditions of the war. It is to be feared that the export of the citrus crop will have to be restricted "for the duration"; and at the same time it becomes important that Palestine should be more self-supporting with food supplies than she has been in times of peace.

The effort is being made, then, to increase the production of general agricultural and dairy produce, and to find scientific ways of using or disposing of the surplus product of oranges. The revised Syria-Palestine Customs Agreement, which was signed last year, and which replaced the Free Trade Agreement of 1929, will, it is hoped, enable protection to be given both to Palestine agriculture and industries.

The main plans of readjustment which are being studied concern, however, the establishment or expansion of industries in Palestine so as make it an important basis of supply for the Forces in the Middle East. The industrial development of the last decade, the presence in the country of large numbers of skilled workers, the exploitation of the minerals of the Dead Sea, which are of great importance for various purposes of the war, and, lastly, the extraordinary enlargement of the electricity and oil enterprises in the country, offer favourable conditions for this expansion.

EXPORT OPPORTUNITIES IN ARGENTINA AND URUGUAY

J. A. STRONG, CANADIAN TRADE COMMISSIONER

Buenos Aires, June 7, 1940.—In estimating the possibilities for increasing Canadian exports to Argentina and Uruguay under the present wartime conditions, the fact that the important European sources of supply have been either shut off completely or severely curtailed is of comparatively little significance, except in the case of commodities officially considered absolutely essential to the local economy. The test is whether there is enough dollar exchange in sight to pay for them.

Argentina

All imports into Argentina are officially controlled and import permits may be withheld entirely, issued subject to quota restrictions, or issued freely, as in the case of certain of the necessary items and of industrial raw materials and semi-fabricated goods for further processing. The classes of imported goods affected by the restrictions are goods made locally or goods which the public must do without entirely or of which it may have only a limited quantity. It is not so much a question of promoting export sales from North America to this country under present conditions as whether the amount of dollar exchange will permit aggregate sales to be maintained near the present volume.

The import control system is designed to anticipate trouble by budgeting the dollar and other exchange resources that are available to pay for imported goods and to meet external financial services. Thereby it is expected that anything in the nature of a crisis can be avoided. This system automatically provides protection for firms exporting to these markets, since the import permit is also the authorization to remit the funds in payment. Consequently the "blocked" funds experience of 1920-22 should not occur again. The system does not affect, of course, the ordinary commercial risks involved in selling in this market.

There has been a large increase in the number of new North American export firms offering the classes of goods that are admissible from the United States or Canada. Consequently the competition is keen. This is a repetition of what happened during the 1927-30 boom. Most of these new exporters have difficulty in finding reliable selling connections. In many cases the "in and out" export firms have to appoint, or do appoint, one of the numerous inexperienced agencies which always spring up in times like the present. The experienced agencies naturally retain their permanent connections in North America. The result is price-cutting in many lines and frequently the extension of credit to local importers, a step likely to give rise to difficulties later.

COMMODITIES ENTERING FROM NORTH AMERICA

A list of the commodities from Canada that are admitted to Argentina was given in *Commercial Intelligence Journal* No. 1878 (January 27, 1940). There has been little change in the position since then. In the following paragraphs, however, are listed the commodities that are currently being shipped from North America to Argentina. Commodities marked with an asterisk are admitted subject to quota restrictions. The quotas are based on a percentage of previous business done with Argentina either by Canada or the United States and the quota is distributed among the firms already engaged in the trade in Argentina. In some cases, as for certain types of machinery, permits may be issued after special study. New exporters are excluded in virtually all cases where a quota applies. Credits should be watched carefully in all cases.

Automotive Products.—*Passenger cars, *trucks, *chassis, *tractors, *tires and tubes, crude rubber, automobile parts and accessories, motorcycle parts, *motorcycles, *rubber manufactures.

Beverages.—None admitted.

Fuel.—*Coal, *crude oil, diesel oil, fuel oil and lubricants.

Foodstuffs.—Dried codfish, dried prunes, fish in brine, smoked salmon, sardines, *tea, *nuts, *tinned herrings, *table potatoes, seed potatoes, hops, vegetable grease, shortening, leaf tobacco, *fresh apples, rennet.

Drugs and Chemicals.—Coconut oil, other oils, vaseline, essences, hypodermic solutions, citric acid, tartaric acid, ammonium anhydride, anilines, sulphur, *caustic soda, calcium carbide, glue, paraffin, inks, iron oxide, resin, silicate of sodium, alum sulphate, impure copper sulphate, gums, benzol, glauber salts, sodium sulphate, menthol, lead arsenate, zinc oxide, silicium, tobacco extracts, boiler compound, lamp black, essential oils, toluol, borax and nearly all other chemicals and drugs not available in Argentina.

Electrical Goods.—Copper and bronze wire, cables for electrical installations, *motors and dynamos, batteries and parts, *radio telephone apparatus, loud speakers, *lamps, meters, *dry batteries, radio parts, radio tubes, *electric irons, most other materials for electrical installations except household appliances and machines, telephone and telegraph materials.

Iron and Steel.—Wire, *barbed wire, wire cable, *wire screening, *chains, bolts, nuts, screws, rivets, *cutlery, tools, *kitchen utensils, *rope, *fire hose, pig iron, structural steel, hoops, boilers, black sheets, bars, rods, piping and tubing, bearings, *pumps, *scales, lanterns, oil-burners, mantles, emery wheels, corrugated sheets, valves, door hardware, springs, steel wool, saws, *elevator parts, rock wool, brushes, ferro-silicon, tool steel.

Machinery.—*Agricultural implements, *motors, *oil-well equipment, *sewing machines, sewing machine parts, *household machines, *belting, repairs for all machines except household machines, *all other machines, *belting, *farm tractors, *windmills, farm tools, *locomotives, *railway coaches, *locomotive parts, *railway materials, aeroplanes and parts, dump wagons, typewriters, accounting machines, refrigerator parts, air-conditioning equipment, compressors, textile machinery, tanning machinery, shoe machinery, X-ray machines, dental equipment.

Base Metals.—Copper tubing, ingots, sheets, discs, rods, rivets, bars; bronze plate, bronze powder, nails, tubes, rivets, clips, wire and rods; aluminium ingots, powder and sheets; asbestos fibre, packing, cement and brake lining; babbitt metal, solder rods, lead sheets, ferro-manganese, mica, mercury, zinc spelter, zinc sheets, *tinplate, graphite, selenium, sulphate, talc, uranium, refractory bricks, resin, baryte, mineral earth, infusorial earth, filter sand, nickel.

Building and Wooden Materials.—Douglas fir, pitch pine, oak, hemlock, redwood lumber, cask shooks, hickory handles, plywood, posts, veneers, wallboard, roofing paper, asphalt, excelsior, *tooth picks.

Paper.—Newsprint, printing paper, *toilet paper, photo paper, cardboard, wood pulp, wrapping paper, book paper, printing materials, celluloid, *stationery, cellophane, *other papers, cigarette paper, blotting paper, waxed paper.

Paints and Varnishes.—Oxide of lead, sulphate of barium, zinc oxide, turpentine, varnish, lamp black, duco, lithopane, ochres, red oxide of lead, *cleaning liquid.

Glass.—Ordinary glass, plate glass, *other glass.

Textiles.—Thread of cotton, silk or jute.

Jewellery.—Watches, clocks, alarm clocks, *false jewellery, all other jewellery.

Sundries.—*Materials for hats, needles, pins, buckles, fasteners, photoplates, surgical instruments, films, optical glass, *cameras, razor blades, *cigarettes and tobacco, cork, firearms, ammunition, explosives, musical instruments, plants and seeds, pedigreed animals,

*leather, *sports goods, bakelite and similar compounds, stearite, wax, bristles, hairpins, shoeblack, *rubber manufactures, *linoleum and oilcloth.

For detailed information on the more important classes of goods being shipped from Canada see "Argentina's Trade with Canada" in *Commercial Intelligence Journal* No. 1883 (March 2, 1940). Any Canadian firms in a position to offer any of the commodities in the foregoing list, which are not subject to quota restrictions, are invited to write to the Canadian Trade Commissioner, Bartolome Mitre 430, Buenos Aires, Argentina.

Uruguay

The situation in Uruguay is the same as in Argentina, except that quotas apply in respect of all imports from North America. A global quota is announced each month for each supplying country and the commodities that will be admitted are specified individually. Under the quotas for Canada the following classes of goods are admitted:—

Newsprint; agricultural implements and parts; asbestos; aluminium powder; lead in ingots; nickel; certified seed potatoes, in season; fresh apples, last season; certain rubber and miscellaneous manufactures for exporters that had formerly been exporting to Uruguay.

Apart from the essential commodities mentioned, the purpose is to keep business in existing channels but to restrict or exclude all imports of goods that are not absolutely necessary for Uruguay.

IMPORTS FROM GERMANY INTO BOLIVIA IN 1938

S. G. MACDONALD, ASSISTANT TRADE COMMISSIONER

(The par value of the boliviano is approximately \$0.28; recent official exchange rates for the boliviano have ranged from 2.6 to 2.8 cents.)

Lima, April 20, 1940.—Bolivia has suffered economic difficulty since the beginning of the general depression throughout the world some ten years ago, due to the low prices in world markets for tin—the main source of income with which Bolivia is enabled to carry on import trade, and to the very severe drain on the country's resources of the Gran Chaco war with Paraguay. Despite the conditions created by these set-backs to economic development, a noteworthy increase in imports took place year after year. In 1932 imports were valued at only £1,383,996; in 1938, the most recent year for which Bolivian statistics have been issued, the corresponding import figures totalled £5,291,917. The United States, as is the case generally with Latin-American markets, has held the premier position as a supplier for a number of years, but in recent years the position of the United States has been challenged by Germany.

Of total imports valued at 70,558,889 bolivianos in 1938, supplies from the United States were valued at 17,966,602 bolivianos. Imports from Germany in the same year were valued at 12,652,988 bolivianos. In order of value the next most important suppliers of Bolivia were: Argentina, 9,123,850 bolivianos; Peru, 9,019,017 bs.; Japan, 4,937,269 bs.; Great Britain, 4,927,165 bs.; Chile, 3,047,524 bs.; Belgium, 2,534,037 bs. Canada was credited with imports valued at 7,191 bs. only. The smallness of this sum is due to the fact that many shipments are treated as of United States origin. Canadian statistics show exports to Bolivia in 1938 amounting in value to \$117,482.

The gains made by Germany in the Bolivian market with barter and analogous methods, the use of the aski mark, the granting of long-term credits and sales at low prices is clearly shown by the figures of imports for recent years. In 1936 imports from Germany were valued at 7,024,156 bs.; in 1937 they were slightly higher at 7,886,521 bs., and in 1938 increased over 50 per cent to a value of 12,652,988 bs. During the same years imports from the

United States were fairly stationary between slightly over 16 million bolivianos in 1936 and just under 18 million bolivianos in 1938.

IMPORTS OF MANUFACTURED PRODUCTS

Owing to the slight development of Bolivian industry, manufactured products form the greater part of imports into Bolivia.

In the following paragraphs are given a classified list of items imported from Germany that may be of interest to Canadian exporters. This list includes specific items (or general classifications in which such items fall) for which inquiries have been received by this office from importers or agents in Bolivia, items about which inquiries have been made by Canadian exporters, principal items imported from Germany which Canadian exporters might be able to supply, and some other main items imported from Germany. The figures shown are the values of imports from Germany in 1938:—

Chemicals.—Pharmaceutical products in general, 283,622 bs.; calcium carbide, 113,129 bs.; industrial and commercial chemicals, 148,877 bs.; oxides, paints, varnishes, etc., 84,292 bs.; neo-salvarsan, quinine, vaccines and the like, 73,487 bs.; aniline and similar dyes, 46,154 bs.; lotions, dentifrices, perfumes, powders and other cosmetics, etc., 40,798 bs.; acids, 28,162 bs.; drug store supplies (rubber tubing, cottons, other rubber products, etc.), 21,418 bs.; disinfectants, 15,308 bs.; soaps, 15,002 bs.; natural and undesignated chemical products, 10,943 bs.

Leathers.—Saddles and parts, 185,770 bs.; box calf, 24,546 bs.; kid and chamois, 23,881 bs.; leather articles for personal use, 19,962 bs.; other upper leathers and sole leathers, 13,925 bs.; leather gloves, 8,379 bs.

Textiles.—Yarns, wool, 96,534 bs.; yarns, cotton, 60,940 bs.; natural and artificial silk, 48,560 bs.; cordage, 27,131 bs.; piece-goods, woollen, 146,386 bs.; piece-goods, cotton, 121,686 bs.; piece-goods, silk, 52,016 bs.; upholstery materials, 12,935 bs.; oilcloth, 5,938 bs.; velvets, etc., 50,818 bs.; textiles, knitted, waterproofed, tulle, and n.o.p., 15,306 bs.; tapes, braids, ribbons, trimmings of all kinds, 97,629 bs.; tapes, braids, ribbons, etc., of elastic, 2,147 bs.; laces and passementerie of all kinds, 52,615 bs.; clothing, shirts, undershirts, underdrawers of all kinds, 22,613 bs.; woollen socks and stockings of all kinds, 160,135 bs.; other woollen articles n.o.p., 26,116 bs.; fur and felt or wool hats with trimmings, etc., 13,527 bs.; women's silk dresses, 6,302 bs.; silk handkerchiefs, shawls, etc., 7,686 bs.; silk ties, 2,210 bs.; women's dresses other than silk, 20,617 bs.; men's overcoats of all materials, 184,129 bs.; belts, ties, collars, garters, etc., not of silk, 6,336 bs.; quilts, sheets, pillow slips, etc., 19,913 bs.; handkerchiefs, other than silk, 12,212 bs.; shawls and other similar articles, other than silk, 299,312 bs.; carpets and rugs, 26,440 bs.; manufactured textile articles, n.o.p., 127,864 bs.

Rubber Products.—Soft rubber products, 10,846 bs.; tires and tubes, 9,873 bs.; rubber heels, 9,765 bs.; other rubber products including shoes, hose, and unspecified, 7,635 bs.

Wood Products.—Furniture, 18,275 bs.; boxes, barrels, pegs, mouldings, 17,372 bs.; stoppers and corks, 10,594 bs.; manufactures of wood and basket materials, 13,313 bs.; wallpaper, 11,679 bs.; wrapping paper, 10,989 bs.; writing paper, 42,963 bs.; sensitized paper, 17,257 bs.; carbon and blotting paper, 27,820 bs.; printing paper, satined and otherwise, 36,448 bs.; sand and abrasive papers, 3,750 bs.; cigarette paper, 7,303 bs.; drawing paper and others n.o.p., 26,236 bs.; containers of pulp or paper base of all kinds, 6,187 bs.; albums and similar articles of cardboard, 5,995 bs.; unspecified articles of cardboard, 10,791 bs.; envelopes and visiting cards, 18,726 bs.; paper products n.o.p., 7,996 bs.; books, manuscripts, papers and magazines, 22,239 bs.; commercial propaganda, 8,402 bs.; postcards, stamps, playing cards and other printed articles of paper, 9,818 bs.

Mineral Products.—Tiles, 15,499 bs.; crockery, 54,870 bs.; mirrors, 17,540 bs.; glass planes of all kinds, 33,668 bs.; glassware, 44,514 bs.; druggist's glass products, 21,181 bs.; glass lamps, chandeliers, etc., 4,333 bs.; glass bottles, 121,518 bs.; other glass articles, 63,177 bs.

Metal Products.—Iron bars, girders and sheets, 79,589 bs.; galvanized iron bars, sheets, etc., for construction purposes, 9,858 bs.; other galvanized sheets, 42,859 bs.; stoves and heaters of iron, 8,188 bs.; cast-iron bathroom equipment, 48,112 bs.; piping, tubing and accessories, 531,758 bs.; metal kitchen utensils and table service, 263,845 bs.; penknives, paper cutters, scrapers and similar articles, 42,372 bs.; metal spoons, knives, forks, etc., 34,770 bs.; wires and cables, 60,559 bs.; metallic cloth, embroidery frames, wire mesh, 29,493 bs.; hinges, latches, door handles, etc., 26,452 bs.; washers, bolts, nuts, etc., 50,623 bs.; locks and padlocks, 65,394 bs.; nails, tacks, staples, etc., 56,905 bs.; lamps, chandeliers, candelabra, etc., of metal, 6,647 bs.; steel rails and sleepers, 441,342 bs.; articles of steel, n.o.p., 135,416 bs.; wires, bars, plates, tubes, sheets, etc., of aluminium, 2,380 bs.; aluminium table service, 15,494 bs.; other articles of aluminium n.o.p., 30,807 bs.; hinges, latches, door handles, etc., of copper, 30,932 bs.; locks and padlocks of copper, 17,736 bs.; piping, tubing and accessories of copper, 10,281 bs.; artistic copper works, 30,560 bs.; other articles of copper n.o.p.,

37,789 bs.; anti-frictional metals, 8,756 bs.; articles of nickel, 36,248 bs.; nickel coinage, 92,257 bs.; solder of lead, tin or other metals, 14,162 bs.; lead printing type, 6,768 bs.; artificial jewellery, 25,719 bs.; articles, gilded, plated or silvered, 14,441 bs.

Electrical Goods.—Fuses, plugs, switches, etc., 66,855 bs.; insulators, 31,643 bs.; batteries and accessories, 27,588 bs.; wire, 86,314 bs.; dynamos, motors, transformers, etc., 214,424 bs.; wireless installations, 19,894 bs.; arc and other electric lamps, 31,177 bs.; telephones, telegraph apparatus and accessories, 8,002 bs.; domestic electric appliances, 51,350 bs.; other electric apparatus and machines, 60,182 bs.

Machinery.—Boilers, motors and pumps for machines, 42,781 bs.; industrial belting and packing of rubber, leather, balata, etc., 10,581 bs.; industrial hose, 8,772 bs.; machines and accessories for textile industry, 32,201 bs.; sewing machines, 36,171 bs.; machinery for brewing and gaseous waters industries, 484,080 bs.; sugar-mill machinery, 43,083 bs.; agricultural machinery and accessories, 44,813 bs.; printing machinery, 34,974 bs.; woodworking machinery, 11,116 bs.; typewriters and calculating machines, 64,965 bs.; mining machinery and accessories, 510,001 bs.; excavators, grinders, drills, elevators, winches and cranes, 56,689 bs.; photographic and cinematographic machinery, 43,111 bs.; hand, pneumatic and force pumps, 3,300 bs.; domestic machinery and apparatus, 17,881 bs.; machinery, apparatus and parts, n.o.p., 330,531 bs.

Tools and Instruments.—Artisans' tools and instruments, 266,443 bs.; agricultural tools and instruments, 64,109 bs.; office equipment, 80,037 bs.; laboratory equipment, 4,137 bs.; razors and blades, 8,429 bs.; pins and needles, 9,972 bs.; scales of all kinds, 12,530 bs.; brushes of all kinds, 12,508 bs.; other articles, n.o.p., 62,858 bs.

Transportation Equipment.—Rolling stock and tram cars, 136,700 bs.; automobiles, omnibuses and similar vehicles, 137,679 bs.; trucks, 27,465 bs.; motorcycles, 5,662 bs.; bicycles, 6,926 bs.; vehicles, n.o.p., 5,305 bs.; accessories and parts for vehicles, 42,246 bs.; aeroplanes and parts, 962,311 bs.; watercraft and accessories of all kinds, 75,664 bs.

Musical and Miscellaneous Instruments and Articles.—Pianos, organs and the like, 5,233 bs.; string and wind instruments, 12,485 bs.; radios and accessories, 24,167 bs.; gramophones, records, and accessories, 9,173 bs.; other musical instruments and accessories, 8,510 bs.; surgical instruments, 77,107 bs.; barometers and the like, 18,576 bs.; telescopes, microscopes, sextants and similar instruments, 56,472 bs.; watches, chronometers and parts, 31,376 bs.; firearms and accessories, 144,807 bs.; ammunition, etc., 25,682 bs.; dynamite and other explosives, 202,157 bs.; caps and fuses, 90,928 bs.; powder for sporting ammunition, 28,536 bs.; articles of leather, bone, celluloid, composition, and synthetic resins, n.o.p., 22,466 bs.; buttons, 19,966 bs.; films and photoplates, 19,618 bs.; toys, 39,751 bs.; umbrellas, 8,702 bs.; settlers' effects, 27,492 bs.; manufactured articles, n.o.p., 92,257 bs.

IMPORTS OF FOODSTUFFS AND PRIME MATERIALS

Imports from Germany under these classifications have been limited in number and in value of items. The following are the main classes of products supplied by Germany to Bolivia in 1938 under these general classifications:—

Foodstuffs.—Malt and malting barley, 526,741 bs.; powdered and condensed milk, 8,178 bs.; fish, in all forms of packing or preserving, 3,415 bs.; confectionery, 6,941 bs.; tea, 7,212 bs.; canned and preserved foodstuffs other than fish, 9,552 bs.

Prime Materials.—Hops, 159,922 bs.; tar and impure vegetable oils, 10,769 bs.; veneers and similar woods, 29,108 bs.; cork, 29,280 bs.; metals of copper, iron, steel, lead and zinc, 6,465 bs.; refined and heavy lubricating oils, 22,565 bs.; mineral carbon, 230,731 bs.; Roman cement, 57,501 bs.; cod liver oil, unrefined, 2,494 bs.

TRADING CONDITIONS IN BOLIVIA

Prior to the outbreak of hostilities in Europe, Canadian exporters to Bolivia found it necessary to insist, in almost all cases, upon payment with orders, as collections in Bolivia were difficult not only on account of the depressed conditions in the Republic but also due to the stringent control measures in effect. Since the war began the value of tin has been greatly enhanced, and the quota allotted to Bolivia considerably increased. In consequence, for a number of months past Bolivia, while still exercising exchange control, has been in a position to supply importers with all of the foreign exchange needed for the normal requirements of the country, other than for luxury articles. Therefore, sales may now be made to well-established houses on a cash against documents basis; but it is still recommended that caution be exercised and that exporters ascertain if importers have the necessary exchange required before shipment is made.

ASBESTOS SITUATION IN JAPAN

M. T. STEWART, ASSISTANT TRADE COMMISSIONER

Tokyo, May 15, 1940.—Following the outbreak of the war in China, the demand for asbestos from various industrial concerns in Japan increased so rapidly that the balance between demand for asbestos and supply of the raw product was broken. The market was thrown into a chaotic condition as a result of the flood of demand against the limited supply of imports allowed by the Foreign Exchange Control of the Government. The price of asbestos advanced rapidly and, with a view to adjusting the relation between demand and supply, control over importation and local distribution was immediately exercised by the Government by the formation of an import control body and several distributing bodies. In due course the situation in Japan appeared to ease somewhat.

However, the actual condition of supply and demand is different from that which appears on the surface. Supply and demand of asbestos is not yet regulated harmoniously owing to the constantly increasing consumption as against an annual reduction of imports. This annual decrease in imports of asbestos is said to be due to the fact that asbestos is listed among those items subject to the restriction of consumption at home, in accordance with the material mobilization plan. It is considered, however, that some modification of the control measures may be necessary in order to relieve the acute situation with respect to the supply and demand.

IMPORTS OF ASBESTOS

It is reported that a small quantity of asbestos is produced in Hokkaido and Kyushu but Japan has to rely almost entirely upon foreign sources of supply for her requirements of this product. According to local information, asbestos produced in Hokkaido and Kyushu is so limited in quantity and so inferior in quality that it can meet only a small part of the demands of this country. According to the monthly return of the Foreign Trade of Japan, December, 1939, total imports of asbestos and manufactures thereof during 1939 were down by 9.1 per cent in quantity, as compared with those for the previous year but were up by 22.4 per cent in value, and amounted to 28,677 short tons valued at 9,520,000 yen. The following table shows that quantities and values of imports in 1939, 1938 and 1937:—

	1939		1938		1937	
	Short Tons	1,000 Yen	Short Tons	1,000 Yen	Short Tons	1,000 Yen
Lump, powder or fibre	28,615	9,424	31,362	7,549	48,663	9,001
Other	62	96	183	231	464	617
Total	28,677	9,520	31,545	7,780	49,127	9,618

Canada is the largest supplier of asbestos to Japan, followed by the United States and the Union of South Africa. For some years Canada has supplied approximately three-quarters of total Japanese imports of asbestos. The volume of shipments from Canada in 1939 as against 1938 declined by 15.2 per cent, from Rhodesia by 65.8 per cent, from Mozambique by 42.2 per cent, and from Russia to nil; while the quantity from the United States increased by 83.1 per cent, from the Union of South Africa by 20.5 per cent, and from Manchuria by 285.9 per cent. The following table shows the quantities and values of imports of asbestos and manufactures thereof by principal supplying countries in 1938 and 1939:—

	1939		1938	
	Short Tons	1,000 Yen	Short Tons	1,000 Yen
Canada	20,532	6,124	24,207	5,028
United States	4,588	1,567	2,505	764
South Africa	2,064	1,117	1,713	724
Manchuria	494	215	128	33
Rhodesia	456	169	1,335	727
Mozambique	348	209	602	210
Russia .....	....	....	760	105
Others	195	119	295	189
Total	28,677	9,520	31,545	7,780

IMPORT CONTROL

The control of imports of asbestos is exercised by the Japan Asbestos Importers Association. It comprises eight importers, namely Mitsui Bussan, Asano Bussan, Okura Trading and five other companies. The Association, upon receipt of orders from consumers, makes a statement of requirements and files it with the Commerce and Industry authorities for permission to import. Upon receipt of permission from the authorities, the Association allocates the authorized quantities to the Kwanto Asbestos Manufacturers Association and Asbestos Slate Manufacturers Association in the Kwanto district, to the Osaka Asbestos Manufacturers Association and Japan Chimney Makers Association, and to the Japan Eternite Pipe Company, in accordance with their production record for several preceding years.

In this regard it should be noted that there are two different channels covering the importation of asbestos. For civil use the Commerce and Industry authorities privately give the Importers Association instructions concerning the importation of asbestos according to varieties in each month. Accordingly the Importers Association fixes import quotas for its members on the basis of their actual importations during past years. For military use, however, any importers with orders from the military authorities are allowed to make direct importation for such orders without referring to the Importers Association. Thus, the import control for civil consumption is clearly separated from importation for military use.

DISTRIBUTION CONTROL

The methods of distribution of imported asbestos for civil use are different for long and short fibre. In the case of *long fibre*, the Kwanto and Osaka Asbestos Manufacturers Associations take delivery of the whole of the imported asbestos for distribution to their own members on the basis of their actual results of manufacture for several years and according to the size of their plant and equipment. In that of *short fibre*, the Commerce and Industry authorities fix distribution quotas according to the uses in the manufacture of slates, eternite pipes, etc., and they instruct the control bodies concerned to make, upon receipt of the goods from the Importers Association, distribution of the goods to their own members.

ASBESTOS MANUFACTURING

According to the latest available official statistics concerning industrial production in Japan, the value of production of asbestos manufactures for 1937 amounted to 12,080,000 yen as against 9,587,000 yen for 1936, an increase of 26 per cent. No details regarding the production of asbestos manufactures by various items are given. Imported asbestos being used in the manufacture of slates, eternite pipes, etc., it is considered that the consumption of asbestos in this country must have been greater than is shown under the heading of asbestos manufactures.

EXPORTS OF ASBESTOS

Exports from Japan of asbestos, asbestos packings and other manufactures of asbestos during 1939, according to the monthly returns of the Foreign Trade of Japan, December, 1939, amounted to 6,302 short tons valued at 3,037,000 yen

as against 3,739 short tons valued at 1,379,000 yen in 1938, showing an increase of 68·5 per cent in quantity and 120·2 per cent in value. The quantities and values of shipments in the last three years were as follows:—

	1939		1938		1937	
	Short Tons	1,000 Yen	Short Tons	1,000 Yen	Short Tons	1,000 Yen
Asbestos.. . . .	288	34	185	51	429	79
Asbestos packings	2,092	1,144	778	406	230	216
Other manufactures	3,922	1,859	2,776	922	6,417	818
Total	6,302	3,037	3,739	1,379	7,076	1,113

Practically all of these exports go to the yen-block countries, Kwantung Province, Manchuria and North China..

OUTLOOK

Under the existing circumstances Japan has to rely almost entirely upon foreign sources of supply for her requirements of asbestos and will be obliged to cling to the sources in Canada, the United States and South African countries unless she can discover sufficient and suitable resources of this material elsewhere.

An extensive exploitation in Manchuria and Mongolia of natural resources, including asbestos, is reported already to have been undertaken by the Japanese authorities in Manchuria. As a result, imports from Manchuria of asbestos during 1939 showed a great percentage increase over 1938. The cost of Manchurian asbestos is, however, nearly 60 per cent higher than that of Canadian or South African origin. The high cost is due to inadequate transportation facilities and labour shortage at the asbestos mines. Although the future of Manchurian asbestos cannot be forecast at present, it is certain that the Japanese authorities and individuals concerned are trying their best to exploit their resources as quickly as possible; but the prospects for sales of imported asbestos remain attractive since the manufacturing industry in Japan appears to be capable of expansion.

IMPORT DUTIES

Asbestos, when imported in forms of lump, powder or fibre, is accorded free entry into Japan. The shipments of asbestos from Canada consist entirely of asbestos fibre. Other kinds of asbestos are dutiable.

The rates of duty are as follows:—

Tariff No. 418—Asbestos and Manufactures Thereof, n.o.p.

- (1) In lump, powder or fibre.. . . .Free
- (2) Yarn.. . . .Yen 15 per 100 kin
- (3) Board—
 - (a) Mixed with india-rubber.. . . .Yen 15 per 100 kin
 - (b) Other.. . . .Yen 5·46 per 100 kin
- (4) Other.. . . .Yen 30 per 100 kin

(The value of the yen at current rate of exchange is 26 cents Canadian; 100 kin equal approximately 132 pounds.)

REPRESENTATION IN THE MEXICAN AND CENTRAL AMERICAN MARKETS

R. T. YOUNG, CANADIAN TRADE COMMISSIONER

Mexico City, May 20, 1940.—Canadian manufacturers and exporters frequently experience difficulties in entering the Mexican market because of credit terms demanded by importers. The exporter to Mexico should first realize that to a large extent Mexican business practices and the commercial laws differ from those in Canada. Due to failure to appreciate this fact, some exporters have been unsuccessful in coming to credit arrangements with Mexican buyers.

Exporters who take the trouble to study market conditions in Mexico, will realize that Mexico presents an expanding market in which credit losses may

be reduced to a minimum provided proper precautions are taken. One of the first precautions is to select the proper type of representation, of which there are only about two suitable to a foreign organization transacting business in Mexico. One is by the establishment of a branch office. Obviously such a step is advantageous only where a large volume of business is to be transacted and when the product is well established. The other is through an exclusive agency, which will prove most satisfactory and successful for the majority of exporters, particularly with those agency firms which are willing to buy on their own account for re-sale. This means that so far as the exporter is concerned, the credit risk is restricted to one account. When an agent is working only on a commission basis, he is not only acting as a salesman, but should also give every assistance in collecting accounts. This assistance is required in Mexico even though collections are made through a bank. Further, in opening up new accounts, the exporter should make it a rule to have the agent furnish both financial and moral references from reliable mercantile agencies and banks regarding his customer.

The usual custom among the better-class Mexican merchants is to accept a thirty- or sixty-day draft, payable through a local bank. It is rarely that firms in this category refuse acceptance. In the event of non-payment the Mexican Mercantile Law allows for speedy and quick relief for the creditor by granting, without notification to the debtor, an attachment to the value of the draft against any property belonging to the latter. The possibility of an action of this nature is enough to make buyers reluctant to refuse payment. When an agent is working on a straight commission basis and credit is extended to a number of buyers, it is obvious that the services of the agent are necessary to act as intermediary.

Under this method of financing shipments, the documents (bill of lading, commercial invoice, insurance certificate, health certificate, etc.), are usually sent to a bank deliverable against a time draft, with buyer's option of a discount should he wish to pay cash against the documents. Few importers in Mexico, however, take advantage of this option. In the case of commission payable to an agent, it is usual for the bank to pay the commission and remit the balance to the exporters.

Bills of lading covering merchandise destined to Mexico should be made "to order," thus dispensing with the need of endorsement should it become necessary, because of non-acceptance, to dispose of the merchandise to other than the original consignee. When such a situation occurs, it is usually very difficult to enforce payment or to dispose of the merchandise, unless prospective buyers are granted substantial discounts. At such time exporters dealing through an agent find him indispensable in finding other buyers.

There are certain classes of buyers and importers in Mexico who favour open account; but this method is the exception rather than the rule. It is to be considered only with firms of long standing and financial integrity, whose past record in the matter of prompt payment is beyond dispute.

Terms of payment demanding part in advance, the balance against documents, are almost unknown, except in cases where the buyer has no other alternative regarding source of supply. Insistence on such terms is most likely to operate to the disadvantage of the exporter when other sources of supply become available.

With study and understanding of the country, its people and customs, the Canadian exporter will find that there are possibilities for developing substantial sales in Mexico. Personal contact between exporter and importer is one of the secrets of success.

SECOND OFFICIAL ESTIMATE OF THE ARGENTINE CORN CROP

Mr. J. A. Strong, Canadian Trade Commissioner at Buenos Aires, writes that the second official estimate of the 1939-40 corn crop gives the production at 418,896,800 bushels, i.e. 15,275,560 bushels or 3.5 per cent less than the figure shown in the first estimate. This second estimate shows the increase over the 1938-39 crop at 227,401,120 bushels or 119 per cent instead of 127 per cent as in the first estimate. The present crop now ranks third largest in the history of the Argentine, after that of 1934-35 with 453,115,000 bushels and that of 1930-31 with 419,684,200 bushels.

CONTROL OF EXPORTS OF CANNED LOBSTER FROM CANADA

By Order in Council (P.C. 2522) it has been ordered that licences granted under the Foreign Exchange Control Order for the export from Canada of of canned lobster be withheld unless approved by the Controller for Canned Lobster. The Controller is authorized to approve of such export licences only if he is satisfied that the terms and circumstances of the proposed exportation are not likely to be injurious to the marketing abroad of the Canadian canned lobster.

TARIFF CHANGES AND TRADE REGULATIONS

Australia

IMPORT RESTRICTIONS ON CANADIAN AND AMERICAN AUTOMOBILE CHASSIS

With reference to the allocation of a North American quota for automobile chassis permitting the transfer of United States quotas to Canada and vice versa, details of which appeared in *Commercial Intelligence Journal* No. 1896 (June 1, 1940), page 872, Mr. L. M. Cosgrave, Canadian Trade Commissioner at Sydney, writes under date May 22 that further detailed instructions have now been issued by the Commonwealth Customs as follows:—

- (a) The chassis will be deemed to be imported on the date they are brought into their port of destination for the purpose of being there discharged.
- (b) When checking applications for licences on the percentage outlined in the foregoing report of 40 per cent during any consecutive four months, the calculation is to be made on the total of all types of chassis included in the importer's quota, and not on individual chassis lines.

It is further emphasized that, although licences for chassis of North American origin may be issued on a numerical basis, care must be exercised to ensure that the values are not excessive. An explanation of any abnormal increase in cost must be supplied to the Customs authorities.

QUOTAS FOR CHASSIS OF OTHER THAN NORTH AMERICAN ORIGIN

Chassis from non-sterling countries (other than North American origin) will be dealt with in conformity with the general instructions already laid down in respect of other non-sterling imports. Care will be taken to see that previous imports from Canada and the United States are not used for the purpose of establishing a basis for the issue of a licence from other non-sterling countries. Licences will be issued at the rate of 100 per cent of the value of importations made during the base year ended June 30, 1939, i.e. for a two-months licensing period the licences may amount to one-sixth, and for a three-months licensing period to one-quarter, of the base year values.

DEFENCE REQUIREMENTS

As previously advised, defence orders will not be debited against quotas, but all applications to take advantage of this concession must be submitted by the applicants to the Commonwealth Customs authorities.

COMPILATION OF LICENCES

Licences may cover fenders, running boards, instruments and other parts (other than clocks) which are normally imported with chassis, provided such parts are not graded under category D.

In connection with clocks and lifting jacks, which have been subjected to certain restrictions as and from April 1, 1940, it has been decided that the importation of such goods may be permitted when forming part of the original equipment of chassis which were in transit to Australia from the factory on or before March 31, 1940.

Any further importation of clocks with chassis will be limited to permissible importations under the respective clock quota which should be dealt with in the same manner as goods in general. Clocks for original equipment will of course form a separate quota from clocks for replacement purposes which are included in the grouped quota.

On and after July 1, 1940, it is proposed to impose a restriction of 100 per cent on the importation of electric audible warning devices (except for replacement purposes).

Item 352 (C) (1) and on that of shock absorbers (except for replacement purposes) [Item 359 (G) (5)]. Except in cases of special shock absorbers for which authority for the issue of a licence has been given, the importation of these goods for original equipment will not be permitted from non-sterling countries after June 30, 1940.

In compilation of applications for licences to import motor vehicle chassis it will not be necessary for importers to show separate values for the various parts comprising original equipment which usually accompany the chassis with the exception of shock absorbers, horns and coil springs or any parts graded under category D for which a special permit may have been issued. The various parts not covered by Tariff Item 359 (D) (4) must, however, be specified.

For example, the application may take the following form:—

Column A		B	C	D	E
C		100 car type unassembled chassis	£70 stg.	£10,000	....
359 (D) (4) (a)	... ..	including: Fenders Running boards Instruments Tools			

Although certain original equipment parts may not be granted in the same category as the chassis, the licence to be issued will follow the category of the chassis, e.g. "C" for car chassis [Tariff Item 359 (D) (4) (a)] and "B" for truck chassis [Tariff Item 359 (D) (4) (b)].

Separate values are required for shock absorbers, horns and coil springs.

In respect of those goods which may be included in the value of the chassis when imported as original equipment, care should be exercised when establishing a quota for such parts required for replacement purposes that parts previously imported for original equipment are not included.

TARIFF AMENDMENTS

With reference to the article appearing in *Commercial Intelligence Journal* No. 1896 (June 1, 1940), page 872, respecting amendments to the Australian customs tariff effective May 23, 1940, further particulars have now been received by mail.

Chewing gum and chewing gum confectionery are made dutiable at 3½d. per pound under the British preferential tariff and 5d. per pound under the general tariff, with alternative rates of 45 per cent and 75 per cent ad valorem respectively if these yield higher duty (new item 44G). Formerly these goods were rated as unspecified confectionery at 2d. and 3½d. per pound under the respective tariffs with alternative rates of 25 per cent and 55 per cent ad valorem (item 44E).

Chicle and other gums and gum mixtures, for use in the manufacture of chewing gum and chewing gum confectionery, are now dutiable at 9d. per pound under both British preferential and general tariffs, with an alternative rate of 15 per cent ad valorem under the general tariff if it will yield higher duty (new item 254D).

The duty on dates is increased from 2d. per pound to 4d. per pound under all tariffs (item 53B).

The following rates of duty will apply on and after July 1, 1940, to wristlet watches and cases therefor (except watches combined with bracelets and dutiable as jewellery): Nickel-plated, nickel alloy, chromium-plated, and steel, 10 per cent ad valorem under British preferential tariff and 30 per cent ad valorem under general tariff (with alternative duties of 1s. 9d. or 2s. 10½d. each if these rates yield higher duty), and additional duty on the movement of 20 per cent ad valorem under the British preferential and 50 per cent ad valorem under the general tariff. Other wristlet watches will be dutiable at 3s. 6d. and 7s. 6d. each under the British preferential and general tariffs respectively, with alternative rates, if higher, of 10 per cent and 30 per cent ad valorem; and additional duty on movements of 20 per cent and 50 per cent ad valorem under the respective tariffs.

Under all the items quoted above, the British preferential tariff applies to Canada and the general tariff to non-British countries.

FURTHER AMENDMENTS TO IMPORT LICENSING REGULATIONS

L. M. COSGRAVE, CANADIAN TRADE COMMISSIONER

Sydney, May 8, 1940.—The following regulations covering miscellaneous items have recently been issued, and are embodied herein for the information of Canadian manufacturers and exporters:—

Nickel (Grade F).—It has been decided that licences may be issued freely in respect of nickel (grade F) tariff item 137 (A) as and when required, irrespective of quantity, value, origin or the relationship to the applicant's importations in the base year period. Licences issued under this instruction are required to be endorsed "sterling exchange only" as all purchases for this commodity are made through London.

Machines.—The following machines classifiable under Australian tariff item 176F(1) for use in the manufacture of radiator cores and tubes for motor vehicles have been graded into category D as from April 22, 1940:

- (1) Centre machine.
- (2) Tube machine.
- (3) Rolls folders for both (1) and (2) above.

Licences will therefore not be issued as from the above date for the importation of these machines.

Graphite Electrodes and Nipples.—Licences for the importation of graphite electrodes and nipples admissible under tariff item 415 (A) (1) may be secured as and when required irrespective of quantity, value, origin or the relationship to the applicant's importations during the year ended June 30, 1939.

Essential Oils.—Licences for the importation of essential oils may be issued on application, provided the value of base period importations is not exceeded.

Where no licence has been issued and there is no debit against the value of the base period importations an applicant could, if he so desired, obtain a licence for 100 per cent of the value of his base period importations in a single licence. Where advantage is taken of this ruling, however, applicants should be informed that shortage of stocks at a later period of the licensing year will not be considered as a reason entitling applicants to consideration for increased allocations.

Importation from the United Kingdom during the base period of essential oils of types which were admitted at British preferential rates of duty during that period, but which now fail to qualify for admission as the produce or manufacture of a sterling country, may be added to importations from non-sterling sources for the purpose of arriving at base period importations, *provided* that the additional allocations so granted are used for the purchase of essential oil *refined* in the United Kingdom.

Goods for Use in the Export Trade.—Subject to the conditions of paragraph 2 of this instruction, licences for the importation of goods in excess of base period values may be granted when (a) it is proved to the satisfaction of the Collector that within the immediately preceding six months goods of a like nature graded in A, B or C categories were exported in the same condition as imported or that goods of a like nature graded in A, B, C or D categories were exported as a component part or ingredient of a manufactured article or good, and the quantity of goods covered by any licence or licences issued under this section is not in excess of the quantities so exported; or (b) security is given in the sum of twenty-five per cent of the value of the licence that within six months from the date of importation the goods covered by the licence being graded in A, B or C categories will be exported in the same condition as imported, or being graded in A, B, C or D categories will be exported as a component part or ingredient of a manufactured article or good; *provided* that where the quantity of such goods used in the export trade during the base year was relatively important this factor is to be taken into account.

2. Applications to import Category D goods shall be referred to Central Office in cases where the value of such goods constituted (or will constitute) a substantial amount of the total cost of a manufactured article or good which has been (or will be) exported.

Category D Goods.—It has been decided that all goods classified in category D in respect of which orders were placed with and accepted by overseas suppliers prior to the promulgation of these regulations shall be granted an extension of time of one month during which holders of import licences may import such goods into Australia.

This concession will operate in relation to such goods as follows:—

Ordered and Accepted	Date of Expiry	Extension granted to
Prior to November 1 (non-European)	March 31	April 30
Prior to November 1 (European)	April 30	May 31
During November	April 30	May 31

It will be granted subject to the applicant accepting the value of these goods as a debit against his permissible imports in categories A, B or C.

It is to be noted that importation subject to debit against goods in other categories is now to apply to all category D goods and not merely to those ordered during November.

Tractor Replacement Parts.—In view of the fact that the demand for replacement parts for tractors varies considerably in respect of each part, and to allow importers a certain amount of flexibility over the whole of the parts required, it has been decided to provide a grouping system which should result in a saving of time not only for the officers concerned but also for agents and importers. This formation of a "Bank" will allow importers to concentrate on such parts, irrespective of tariff item, for which there is no alternative source of supply from a local or other sterling source, and it is expected that importers will use the grouping system only for that purpose.

A class B licence will be issued irrespective of the fact that the tariff items concerned are graded under categories A, B and C. The issue of a class B licence is not to be regarded as a change in category of each item included in the grouping.

This grouping refers only to tractor replacement parts, although some of the tariff items specified may have a fairly general commercial application. It is therefore required that a declaration be made on the import entry to the effect that that section of the entry relating to the general licence covers tractor replacement parts only.

The tariff items concerned and a brief description of the goods covered by such items are shown in the following lists:—

A. TARIFF ITEMS UNDER CATEGORIES A, B AND C WHICH MAY BE GROUPED

Tariff Item	Goods
174 (Y)	Magnetos, generators and starting motors.
176 (A)	Ball and roller bearings.
177 (B) (2) (a)	Cylinder sleeves (under 5 in. diameter)
177 (B) (2) (b)	Cylinder sleeves (over 5 in. diameter)
177 (B) (3) (a) (1)	Engine parts
177 (B) (3) (b)	Tractor wheels and tractor wheel centres for use with pneumatic tires
177 (B) (3) (c)	Tractor parts
177 (B) (3) (d)	Cylinder sleeve assemblies, pistons and piston assemblies
178 (D) (1) (a)	Engine parts. Note: During the base year certain parts, e.g.
178 (D) (1) (b)	bronze back bearings, were classified under tariff item 178
178 (E)	(E). Subsequent tariff amendments have brought such parts under tariff item 178 (D) (1).
179 (B) (7)	Switches
179 (D) (1) (d)	Dynamo electric machines and parts
180 (F)	Electrical appliances, n.e.i.
180 (L) (2)	Condensers, n.e.i.
182	Bolts, nuts, rivets and washers.
192	Brasswork
194 (B) (1)	Roller chain.
208 (A) (1)	Manufactures of metal
208 (A) (2)	Manufactures of metal
219 (B)	Metal tools
219 (C)	Tools of trade, as per by-law
250 (A)	Glass bowls for carburetors
326	Belting
332 (B) (4)	Rubber manufactures, n.e.i.
332 (B) (5)	Flexible coupling discs.
332 (E) (2)	Rubber hose, n.e.i.
374 (D) (1)	Asbestos packings
374 (D) (3)	Packings, other
394 (C)	Cork floats for carburetors
418 (C) (1)	Thermostats

B. ITEMS SPECIALLY EXCLUDED FROM GROUP AND WHICH ARE TO BE DEALT WITH IN ACCORDANCE WITH THE GENERAL INSTRUCTIONS RELATING TO THE CUSTOMS (IMPORT LICENSING) REGULATIONS.

Tariff Item	Goods
179 (D) (5)	High tension ignition coils
181 (C)	Carbon manufactures

For the purpose of ascertaining the values on which allocations should be made, the base year import figures for *tractor replacement parts* under the respective items in list (A) should be totalled. Where importations during the base year under any item included in list (A) includes goods other than tractor replacement parts, such goods should be separately dealt with for licensing purposes.

Certain articles such as carbon brushes and high-tension ignition coils have been omitted from list (A) and such goods should be dealt with in accordance with the general instructions relating to the Customs (Import Licensing) Regulations as per list (B).

The application for licence may take the following form:—

Column A	B	C	D	E
List (A) of L.I. . . .	Tractor replacement parts	Various	....	....

The Department of Trade and Customs, Canberra, holds the right to withdraw any item from the group in respect of any future licensing period.

Mowers.—Licences up to the value of 70 per cent of the base year imports may be issued in regard to mowers, tariff item 171 (C). In arriving at the actual value of the licences to be issued, a deduction is to be made from the 70 per cent value of any debits against quotas under this tariff item in respect of licences issued since December 1, 1939, the excess over permissible imports to be debited against future allocations.

Pine Tar Oil.—It has been decided that licences for the importation of pine tar oil, tariff item 404, category C, for use solely in the manufacture of rubber goods may be issued freely, as and when required, irrespective of quantity, value, origin or the relationship to the applicant's importations in the base year. All applications for licences under this decision are to show the particular rubber goods in the manufacture of which the pine tar oil is to be used.

Handles for Toothbrushes.—Licences for the importation of handles for toothbrushes may be issued freely, as and when required, irrespective of quantity, value, origin or the relationship to the applicant's importations in the base year.

MODIFICATIONS OF LICENSING REGULATIONS

Modifications of Australian Import Licensing Regulations, recently announced, include the following:—

Licences for the importation of the undermentioned goods may be issued freely, as and when required, irrespective of quantity, value, origin, or the applicant's importations in the base year, viz.: mineral lubricating oil (tariff item 229E), potassium ferro-cyanide (yellow prussiate of potash), rosin, and petroleum jelly (items 290A or 404A).

With reference to the paragraph in *Commercial Intelligence Journal* No. 1895 (May 25, 1940), page 830, respecting high power cartridges, the specification “.250/300” is amended to read “.250/3000”.

For a period of six months commencing April 1, 1940, licences for the importation of splints for use in the manufacture of matches may be on a quantity basis in lieu of the value basis of imports during the base year.

After June 30, 1940, no further licences will be issued for the importation of skillets used in the manufacture of match boxes.

The following piece-goods are regarded as being of seasonal nature and licences may be issued to importers up to 50 per cent by value of their base

year imports, viz.: bleached cotton piece-goods, not printed, dyed, or coloured (tariff item 105A1a2); printed, dyed or coloured cotton piece-goods (item 105A1a3); artificial silk piece-goods (item 105D1); silk piece-goods (items 105D2a and 105D2b).

India

IMPORT TRADE RESTRICTIONS

An air-mail letter received from Mr. K. F. Noble, acting Canadian Trade Commissioner at Bombay, dated May 23, adds to the information contained in the cabled advices appearing in *Commercial Intelligence Journal* No. 1896 (June 1, 1940), page 874, regarding import control regulations in India.

Effective from May 28 importation of 68 groups of commodities has been made conditional on the issuance of permission to import by the Import Trade Controller. Although this legislation affected all imports of the named commodity groups, irrespective of the country of origin, amendments have exempted 61 groups when the country of origin is within the British Empire (Hongkong is specifically excepted).

Briefly, imports of the following groups of products when originating within the British Empire are subject to Import Regulations:—

Jams, jellies, pickles, sauces and condiments, canned or bottled; proprietary and patent medicines; manufactures of rubber, including tires and tubes but excepting apparel, boots and shoes; stationery, including drawing and copy books, calendars and greeting cards; motor vehicles, including vans, lorries, chassis, parts and accessories.

For these commodities import permits will be allotted to existing importers against quotas established on the basis of pre-war or "normal" imports. The quota will be allocated to the importer but will specify the country of origin.

The remaining 61 items of tariff classifications under which import permits will be required only from foreign countries and Hongkong, include the following general items which are of interest to Canadian manufacturers and exporters:—

Jewellery and plate; silk piece-goods (pure and mixed); toilet requisites and soap; bicycles; wireless apparatus; gramophones and records; lead pencils; beer, ale and cider; manufactures of tobacco and smokers' requisites; fruits, fresh and preserved; confectionery; calf, kid, patent and sole leathers; furs; furniture; draperies; apparel, haberdashery and buttons; umbrellas and parts; toys and requisites for games and sports; firearms and cartridges; hardware; sanitary and enamelled ware; cutlery; playing cards.

Banks are already cancelling established letters of credit on the ground that commodities financed are subject to restriction. Canadian manufacturers and exporters advised by buyers in India that it is no longer possible to establish letters of credit must realize that present conditions are only temporary and that after detailed organization of the Control Department is completed, banks will once again be prepared to establish letters of credit in connection with orders for which authority to purchase has been approved by the Import Trade Controller.

Although it is too early to state definitely what will be the outcome of the present dislocation of sources of supply, it is certain that an opportunity has been created for Canadian manufacturers and exporters.

Canadian manufacturers and exporters in a position to offer commodities for sale in the Indian market are advised to communicate with the Canadian Trade Commissioner at Bombay immediately by air-mail, providing export catalogues, export prices and discounts and giving an indication of the existing freight rates.

Jamaica

RULINGS UNDER THE TARIFF LAW

The Collector General of Jamaica has issued decisions in interpretation of the tariff to the effect that the following are dutiable at 15 per cent ad valorem British preferential tariff and 20 per cent ad valorem, general tariff: Packets of sweets each containing a toy, known as "lucky packets" (as confectionery); turpentine (as painters' materials); and thermos flasks (as glassware). The rates of 20 per cent preferential and 30 per cent general tariff are applicable to advertising caps (as unenumerated goods), and lawn rakes and grass shears (as hardware). Poultry feed hoppers (as poultry industry equipment) and advertising transfers (as advertising matter) are both ruled duty free.

Hongkong

IMPORT OF MOTOR VEHICLES AND RADIOS UNDER LICENCE

Under an order of April 24, 1940, made under Hongkong Defence Regulations 1939, the importation into Hongkong of motor vehicles and radio receiving sets is subject to the issue of a licence from the Controller of Trade. For the purpose of the order a motor vehicle includes an engine and chassis of a vehicle if imported separately. The order does not apply to articles in transit to Hongkong.

Peru

PERMITS REQUIRED FOR WHEAT, RICE AND MAIZE

Mr. M. J. Vechsler, Canadian Trade Commissioner in Lima, writes that under a Peruvian decree published May 25, 1940, the importation of wheat, rice and maize may only be effected by means of permits obtained from the appropriate department of the Peruvian Government. Applications for such permits must state the country of origin, quantity, price, currency of purchase, the form of payment and the time for carrying it out.

EXCHANGE CONDITIONS IN FOREIGN COUNTRIES

Netherlands India

J. L. MUTTER, CANADIAN TRADE COMMISSIONER

Singapore, May 17, 1940.—According to a notice just issued by the Consulate-General of the Netherlands in Singapore, exchange control has been introduced in the Netherlands East Indies. The notice reads as follows:—

On May 11, provisional exchange control legislation was passed, whereby the international exchange traffic has been temporarily suspended, both for residents and non-residents.

In consequence thereof, exchange traffic is now only possible after exemption from the prohibitions has been granted by the Java Bank.

It is contemplated shortly to substitute for this provisional arrangement a definite one whereby surrender of exchange drafts, etc., obtained by the export trade is made obligatory, and payment in drafts, etc., for imports is subject to approval.

Permits will be granted by a Netherlands Indian Exchange Control Institute that will be created, whilst an exchange fund, under management of the Java Bank, will administer incoming and outgoing exchange.

It is further intended to maintain the parity of the Netherlands Indian guilder.

No other information is at present available as regards the exchange situation in Netherlands India.

FOREIGN EXCHANGE QUOTATIONS: WEEK ENDING JUNE 17, 1940

The Foreign Exchange Division of the Bank of Canada has furnished the following statement of the nominal closing quotations for the principal exchanges for the week ending Monday, June 17, 1940, and for the week ending Monday, June 10, 1940, with the official bank rate:—

Country	Unit	Present or Former Gold Parity	Nominal Quotations in Montreal Week ending June 10	Nominal Quotations in Montreal Week ending June 17	Official Bank Rate
Finland	Markka	.0252	\$.0219	\$.0220	4
France	Franc	.0392			
	Buying		.0250 $\frac{3}{4}$	.....	2
	Selling		.0253 $\frac{1}{4}$	.....	—
Great Britain	Pound	4.8666			
	Buying		4.4300	4.4300	2
	Selling		4.4700	4.4700	—
Greece	Drachma	.0130	.0066	.0074	6
Hungary	Pengo	.1749	.3227	.3227	4
	Unofficial		.1953	.1952	—
Yugoslavia	Dinar	.0176	.0250	.0249	5
Portugal	Escudo	.0442	.0411	.0407	4-4 $\frac{1}{2}$
Roumania	Leu	.0060	.....	.....	3 $\frac{1}{2}$
Spain	Peseta	.1930	.1013	.1013	4
Sweden	Krona	.2680	.2642	.2640	3
Switzerland	Franc	.1930	.2486	.....	1 $\frac{1}{2}$
United States	Dollar	1.0000			
	Buying		1.1000	1.1000	1
	Selling		1.1100	1.1100	—
Mexico	Peso	.4985	.1850	.2016	3
Cuba	Peso	1.0000	.....	.....	—
Guadeloupe	Franc	.0392			
	Buying		.0250 $\frac{3}{4}$	.....	—
	Selling		.0253 $\frac{1}{4}$	.....	—
Jamaica	Pound	4.8666	4.4800	4.4800	—
Martinique	Franc	.0392			
	Buying		.....	.0250 $\frac{3}{4}$	—
	Selling		.....	.0253 $\frac{1}{4}$	—
Other British West Indies	Dollar	1.0138	.9313	.9313	—
Argentina	Peso (Paper)	.4215	.3304	.3304	3 $\frac{1}{2}$
	Free		.2512	.2431	—
Brazil	Milreis (Paper)	.1196	.0673	.0673	—
	Free		.0561	.0559	—
British Guiana	Dollar	1.0138	.9313	.9313	—
Chile	Peso	.1217	.0574	.0574	3-4 $\frac{1}{2}$
	Export		.0444	.0444	—
Colombia	Peso	.9733	.6346	.6357	4
Peru	Sol	.2800	.....	.....	6
Venezuela	Bolivar	.1930	.....	.....	—
Uruguay	Peso	1.0342			
	Controlled		.7307	.7307	—
	Uncontrolled		.4242	.4242	—
South Africa	Pound	4.8666	4.4600	4.4600	3 $\frac{1}{2}$
Egypt	Pound (100 Piastres)	4.9431	4.5800	4.5800	—
China (Shanghai)	Dollar	.....	.0639	.0645	—
Hongkong . . . . .	\$	.....	.2536	.2520	—
India	Rupee	.3650	.3359	.3359	3
Japan	Yen	.4985	.2601	.2601	3.29
Java	Guilder	.4020	.....	.....	—
Thailand (Siam)	Baht (Tical)	.4424	.....	.....	—
Straits Settlements	Dollar	.5678	.5256	.5256	—
Australia	Pound	4.8666	3.5800	3.5800	3
New Zealand	Pound	4.8666	3.5900	3.5900	4

The Dominion Bureau of Statistics has supplied the following note:—

There was no change in official buying and selling rates set by the Canadian Foreign Exchange Control Board for sterling, United States funds and French francs during the week ended June 17. These remained at \$4.43-\$4.47, \$1.10-\$1.11 and 2.50 $\frac{3}{4}$ cents-2.53 $\frac{1}{4}$ cents respectively. However, following the peace overtures of the French Government on June 17, no further rates were quoted for the franc. At New York sterling free market rates fluctuated irregularly, advancing from \$3.53 on June 10 to \$3.85 on the following day, while the close at \$3.65 indicated a net gain of 12 cents. During the same interval the Canadian dollar rate at New York showed strength, quotations stiffening 2 $\frac{1}{2}$ cents to 80 $\frac{1}{2}$ cents. There was a sharp drop in the Argentine peso (free rate) at Montreal during the week, rates being off $\frac{1}{2}$ cent at 24.31 cents. Swedish kronor (quoted nominally) were relatively steady, closing the week only 2 points lower at 26.40 cents.

TRADE OPPORTUNITIES ABROAD FOR CANADIAN PRODUCTS

The Trade Inquiries for Canadian products published below have been received since the publication of the last issue of the *Commercial Intelligence Journal*. Interested exporters may secure the names and addresses of the firms making these inquiries, together with further details regarding the commodities required, on application to the Director, Commercial Intelligence Branch, Department of Trade and Commerce, Ottawa, or—

Secretary, Board of Trade—

Saint John, N.B.
Halifax, N.S.
Quebec, P.Q.
Montreal, P.Q.
Toronto, Ont.
Chatham, Ont.

Guelph, Ont.
Kitchener, Ont.
Brantford, Ont.
Stratford, Ont.
Woodstock, Ont.
St. Mary's, Ont.

Portage la Prairie, Man.
St. Boniface, Man.
Winnipeg, Man.
Vancouver, B.C.
New Westminster, B.C.

Secretary, Chamber of Commerce—

Sherbrooke, P.Q.
Kingston, Ont.
Oshawa, Ont.
Belleville, Ont.

Peterborough, Ont.
London, Ont.
St. Catharines, Ont.
Hamilton, Ont.

Victoria, B.C.
Prince Rupert, B.C.

Windsor Chamber of Commerce, Windsor, Ont.

Commercial Intelligence Service, Department of Municipal Affairs, Trade and Commerce, Quebec.

Department of Industry, Brantford, Ont.

Industrial Commissioner, Stratford, Ont.

La Chambre de Commerce de Montréal, 25 St. James E., Montreal, P.Q.

Secretary, Canadian Manufacturers Association—

Toronto, Ont.
Montreal, P.Q.

Winnipeg, Man.
Edmonton, Alta.

Vancouver, B.C.
Victoria, B.C.

Director, Bureau of Industrial and Trade Extension, Department of Trade and Industry, Victoria, B.C.

Commodity	No.	Location of Inquirer	Purchase or Agency
Foodstuffs—			
Canned Fish.....	437	Durban, South Africa.....	Agency.
Miscellaneous—			
Mangold Seed.....	438	Dublin, Ireland.....	Purchase.
Wood Flour for Synthetic Resins.....	439	Melbourne, Australia.....	Purchase or Agency.
Knitted Rayon Fabric.....	440	New York City, New York.....	Purchase and Agency.
Kraft Paper, for Cement Bags.....	441	Cairo, Egypt.....	Purchase or Agency.
Wrapping Paper.....	442	Durban, South Africa.....	Agency.
Greaseproof, Parchment, and			
Waxed Paper.....	443	Dunedin, New Zealand.....	Purchase.
Paper for the Printing of Stamps.....	444	Shanghai, China.....	Purchase.
Pure White Sulphite Tissue Paper.....	445	Northampton, England.....	Purchase.
Box Boards (Cardboard).....	446	Walsall, England.....	Purchase.
Strawboard.....	447	Manchester, England.....	Purchase.
Strawboard.....	448	Waterfoot (near Manchester), England.....	Purchase.
Chipboard, Wood-pulp, Leather,			
Insoling, and Heeling Boards.....	449	Manchester, England.....	Purchase.
Wood-pulp.....	450	Durban, South Africa.....	Purchase and Agency.
Rubber Goods.....	451	Cairo, Egypt.....	Purchase and Agency.
Door Locks.....	452	Santiago, Chile.....	Purchase and Agency.
Soft whitewood.....	453	Alexandria, Egypt.....	Agency.

COMMERCIAL INTELLIGENCE SERVICE

L. D. WILGRESS, *Director*

Argentina

J. A. STRONG, B. Mitre 430, Buenos Aires (1). (Territory includes Uruguay.) *Cable address, Canadian.*

Australia

Sydney: L. M. COSGRAVE. Address for letters—P.O. Box No. 3952V. Office—City Mutual Life Building, Hunter and Bligh Streets. (Territory includes the Australian Capital Territory, New South Wales, Queensland, Northern Territory and Dependencies.) *Cable address, Canadian.*

Melbourne: FREDERICK PALMER, 83 William Street, Melbourne, C.I. (Territory includes States of Victoria, South Australia, Western Australia, and Tasmania.) *Cable address, Canadian.*

Brazil

L. S. GLASS. Address for letters—Caixa Postal 2164, Rio de Janeiro. Office—Ed. Da. "A. Noite," Sala 802, Praca Maua. *Cable address, Canadian.*

British India

PAUL SYKES. Address for letters—P.O. Box 886, Bombay. Office—Gresham Assurance House, Mint Road, Bombay. (Territory includes Burma and Ceylon.) *Cable address, Canadian.*

British Malaya

J. L. MUTTER, Union Building, Singapore, Straits Settlements. (Territory includes the Straits Settlements, the Federated Malay States, the Unfederated Malay States, Thailand, British Borneo, and Netherlands India.) *Cable address, Canadian.*

British West Indies

Trinidad: M. B. PALMER. Address for letters—P.O. Box 125, Port of Spain. Office—Barclay's Bank Building. (Territory includes Barbados, Windward and Leeward Islands, and British Guiana.) *Cable address, Canadian.*

Jamaica: F. W. FRASER, P.O. Box 225, Kingston. Office—Canadian Bank of Commerce Chambers. (Territory includes the Bahamas and British Honduras.) *Cable address, Canadian.*

China

V. E. DUCLOS. Address for letters—P.O. Box 264, Shanghai. Office—Ewo Building, 27 The Bund, Shanghai. (Territory includes Central China and North China.) *Cable address, Canadian.*

Cuba

C. S. BISSETT. Address for letters—Apartado 1945, Havana. Office—Royal Bank of Canada Building, Calle Aguiar 367, Havana. (Territory includes Haiti, the Dominican Republic, and Puerto Rico.) *Cable address, Canadian.*

Egypt

HENRI TURCOT. Address for letters—P.O. Box 1770, Cairo. Office—22 Shari Kasr el Nil, Cairo. (Territory includes the Sudan, Palestine, Cyprus, Iraq, Syria, Iran, Greece, Turkey, Bulgaria, and Roumania.) *Cable address, Canadian.*

Hongkong

P. V. McLANE. Address for letters—P.O. Box 80, Hongkong. Office—Hongkong and Shanghai Bank Building, Hongkong. (Territory includes South China, the Philippines, and Indo-China.) *Cable address, Canadian.*

Ireland

JAMES CORMACK, 66 Upper O'Connell Street, Dublin, Ireland (*cable address, Canadian*); and 36 Victoria Square, Belfast, Northern Ireland.

CANADIAN GOVERNMENT TRADE COMMISSIONERS—*Con.*

Japan

C. M. CROFT, Commercial Secretary. Address for letters—P.O. Box 18, Akasaka Post Office, Tokyo. Office—Canadian Legation, 16 Omotecho, 3-chome, Akasakaku, Tokyo. *Cable address, Canadian.*

Mexico

R. T. YOUNG. Address for letters—Apartado Num. 126-Bis, Mexico City. Office—Edificio Banco de Londres y Mexico, Num. 30, Mexico City. (Territory includes Guatemala, Honduras, and Salvador.) *Cable address, Canadian.*

New Zealand

W. F. BULL. Address for letters—P.O. Box 33, Auckland. Office—Yorkshire House, Shortland Street, Auckland. (Territory includes Fiji and Western Samoa.) *Cable address, Canadian.*

Panama

H. W. BRIGHTON. Address for letters—P.O. Box 222, Panama City. Office—98 Central Avenue, Panama City. (Territory includes the Canal Zone, Venezuela, Colombia, Nicaraguas, and Costa Rica.) *Cable address, Canadian.*

Peru

M. J. VECHSLER. Address for letters—Casilla 1212, Lima. Office—Edificio Boza, Carabaya 831, Plaza San Martin, Lima. (Territory includes Bolivia, Ecuador, and Chile.) *Cable address, Canadian.*

South Africa

Cape Town: J. C. MACGILLIVRAY. Address for letters—P.O. Box 683. Office—New South African Mutual Buildings, 21 Parliament Street. (Territory includes Cape Province and Southwest Africa, Natal, Tanganyika, Kenya, Uganda, Mauritius, and Madagascar.) *Cable address, Cantracom.*

Johannesburg: J. H. ENGLISH. Address for letters—P.O. Box 715. Office—Prudential Assurance Building, 92 Fox Street. (Territory includes Transvaal, Orange Free State, the Rhodesias, Mozambique or Portuguese East Africa, and Nyasaland.) *Cable address, Cantracom.*

United Kingdom

London: FREDERIC HUDD, Chief Trade Commissioner in the United Kingdom, Canada House, Trafalgar Square, S.W.1. *Cable address, Sleighing, London.*

London: G. R. HEASMAN, Trade Commissioner, Canada House, Trafalgar Square, S.W.1. (Territory includes Home Counties, Southeastern Counties, and East Anglia; also British West Africa.) *Cable address, Sleighing, London.*

London: W. B. GORNALL, Fruit Trade Commissioner, Aldine House, Bedford Street, Strand, W.C.2. *Cable address, Canfrucum.* (Territory—for fresh fruit only—includes United Kingdom, Sweden, and France.)

London: G. R. PATERSON, Animal Products Trade Commissioner, Canada House, Trafalgar Square, S.W. 1. *Cable address, Agrilson.*

Liverpool: A. E. BRYAN, Martins Bank Building, Water Street. (Territory includes North of England, Lincolnshire, North Midlands, and North Wales.) *Cable address, Canadian.*

Bristol: E. L. McCOLL, Northcliffe House, Colston Avenue. (Territory includes West of England, South Wales, and South Midlands.) *Cable address, Canadian.*

Glasgow: G. B. JOHNSON, 200 St. Vincent Street. (Territory covers Scotland.) *Cable address, Cantracom.*

United States

New York City: D. S. COLE, British Empire Building, Rockefeller Center. (Territory includes Bermuda.) *Cable address, Cantracom.*

Chicago: W. J. RIDDIFORD, Tribune Tower, 435 North Michigan Avenue. *Cable address, Canadian.*

Los Angeles: B. C. BUTLER, Associated Realty Building, 510 West Sixth Street. *Cable address, Canadian.*

Note.—Bentley's Second Phrase Code is used by Canadian Trade Commissioners.

COMMERCIAL INTELLIGENCE JOURNAL

Vol. LXII

Ottawa, June 29, 1940

No. 1900



Unloading Douglas Fir from Canada at Alexandria, Egypt

ISSUED BY AUTHORITY OF

THE HON. JAMES A. MACKINNON, MINISTER OF TRADE AND COMMERCE

J. G. PARMELEE, DEPUTY MINISTER



CONTENTS

	Page
Trade Commissioners on Tour.....	999
Limitation of Home Trade in the United Kingdom.....	1000
United Kingdom Control of Machine Tools.....	1000
Demand for Milk-bottle Discs in the West of England.....	1001
Imports of Eggs, Dairy Products and Honey into the United Kingdom in 1939	1002
Business Conditions in Australia, 1939-40.....	1008
Sales Opportunities in the Mexican Market.....	1012
Export Opportunities in Peru	1014
Peruvian Lumber Market	1020
Canadian Products in Demand in French Indo-China.....	1024
Foreign Trade of China in 1939—I.....	1030
Control of Exports from Canada: Fish Livers and Fish Oils	1036
Tariff Changes and Trade Regulations.....	1036
Foreign Exchange Quotations	1043
Trade Inquiries for Canadian Products	1044
Commercial Intelligence Service	1015

COMMERCIAL INTELLIGENCE JOURNAL

Issued Every Saturday by the Department of Trade and Commerce

PUBLISHED in English and French. Subscription Price for either edition: \$1 per annum in Canada (single copies 5 cents each); \$3.50 outside the Dominion (single copies 10 cents each). Remittances, which may be made by Post Office or Express Orders, or Drafts, or Cheques, payable at par in Ottawa, should be addressed to the King's Printer, Government Printing Bureau, Ottawa.

Vol. LXII

Ottawa, June 29, 1940

No. 1900

TRADE COMMISSIONERS ON TOUR

Mr. C. S. Bissett, Canadian Trade Commissioner at Havana, Cuba (whose territory includes Haiti, the Dominican Republic, and Puerto Rico), Mr. M. B. Palmer, Canadian Trade Commissioner at Port of Spain, Trinidad (whose territory includes Barbados, Windward and Leeward Islands, and British Guiana), and Mr. F. W. Fraser, Canadian Trade Commissioner at Kingston, Jamaica (whose territory includes the Bahamas and British Honduras), are on tour in the Dominion in the interest of Canadian trade with their territories. Following are their itineraries:—

Mr. Bissett

Montreal and district	July 2 to 13	Fredericton, East	Flor-
Quebec	July 15	enceville, Grand	Falls
Campbellton	July 16	and Perth	July 26 and 27
Charlottetown	July 18	Saint John	July 29
Halifax	July 20 to 23	Grand Manan	July 30
Lunenburg	July 24	Black's Harbour	July 31
		Toronto and district	Aug. 6 to 17

Mr. Palmer

Toronto and district	July 2 to 13	Kitchener	July 20
Hamilton	July 15 and 16	Stratford, Woodstock and	
St. Catharines, Niagara		Ingersoll	July 22
Falls and Welland	July 17	London	July 23
Brantford	July 18	Chatham and district	July 24
Guelph	July 19	Walkerville	July 25

Mr. Fraser

Aurora, Newmarket,		Hamilton and district	July 13 to 16
Barrie, Orillia and		Galt and district	July 17
Gravenhurst	July 2	Kitchener and district	July 18 and 19
Owen Sound, Port Elgin,		Guelph and district	July 20
Kincardine and Goderich	July 3	Port Hope, Cobourg and	
London and district	July 4 and 5	Peterborough	July 22
St. Thomas	July 6	Belleville and district	July 23
Windsor and Walkerville	July 8	Kingston, Gananoque and	
Chatham and district	July 9	Brockville	July 24
Woodstock and Paris	July 10	Ottawa	July 25 and 26
Brantford	July 11	Montreal	July 29 to Aug. 14
Niagara Falls, St. Cathar-		Granby and district	Aug. 15
ines, Grimsby and			
Winona	July 12		

Canadian firms who wish to be brought in touch with the Trade Commissioners should communicate, for Montreal, with the Montreal Board of Trade; for Toronto, with the office of the Canadian Manufacturers Association; and for other centres, with the respective Board of Trade or Chamber of Commerce.

LIMITATION OF HOME TRADE IN THE UNITED KINGDOM

FREDERIC HUDD, CHIEF CANADIAN TRADE COMMISSIONER IN THE UNITED KINGDOM

London, June 7, 1940.—The Board of Trade have made an order restricting supplies to retailers by manufacturers and wholesalers of a wide range of goods including hosiery, pottery, glassware, cutlery, hollowware, cameras and accessories, musical instruments, sports goods, toys, toilet articles and certain electric labour-saving devices. The restriction, which is to operate for the next six months, is by one-third of the value supplied in the corresponding period of 1939. The main purpose of the order is to liberate labour, material and productive capacity for essential war purposes and exports.

The restriction of one-quarter imposed on April 16 on supplies of cotton piece-goods and made-up goods to the home market is effective until the end of September. After that date reduction will be by three-quarters of the quantity supplied in the corresponding period of the previous year.

Under another order the supply of certain types of machinery, other than for government departments or export, is prohibited except under licence. The labour released by the operation of this order will be of the type urgently needed for munitions production, while there will also result an important economy of steel and other metals.

These measures are complementary to the decision of the Government to bring within the *import licensing system* all goods except live animals, and the complete *control of all imports* is thus established. The whole trend of the Government's trade policy is to limit the home consumption of goods, not strictly essential, and the object, as stated, is to divert labour, plant and materials from production for local civilian demand, to production for war requirements and for export trade.

UNITED KINGDOM CONTROL OF MACHINE TOOLS

S. V. ALLEN, ASSISTANT TRADE COMMISSIONER

London, June 3, 1940.—Control over the manufacture, sale and acquisition of machine tools by the Ministry of Supply was established by Control of Machine Tools (No. 1) Order of October 6, 1939 (No. 1373). Under this order machine tools are defined as "any mechanical contrivance for cutting, forming, abrading, polishing or otherwise working wood or metal; and any necessary tool or equipment therefor."

For the purpose of obtaining maximum possible deliveries of new machine tools from the United States with the minimum of dislocation to prices and delivery schedules, instructions with regard to special arrangements which come into effect on June 17, 1940, have just been issued to all government departments and importers of machine tools. Co-ordination of all United Kingdom demands upon machine tool manufacturers in the United States is contemplated by centralized purchases through the British Purchasing Commission, 15 Broad Street, New York, acting on behalf of the British Supply Board in Canada and the United States.

United Kingdom purchases of machine tools are to follow normal commercial practice in so far as contracts with agents are concerned; but agents must register under the new scheme and submit to the Controller of Machine Tools particulars regarding their agency arrangements, including certified statements indicating whether the agencies mentioned are exclusive or otherwise. The agents will provide purchasers with all necessary advice, including information as to prices and delivery dates and customary pre-sale and post-sale services. Orders received by them are to be transmitted direct to the British Purchasing Commission in duplicate. In the case of purchasers requiring

machine tools for which there is no registered agent in the United Kingdom, the routine is similar, except that the orders in the first instance will be transmitted by the purchaser to the Controller of Machine Tools and not direct to the British Purchasing Commission. In both cases, orders must be sponsored by a government department, public utility company, or local authority. Presumably requirements for other users are to be strictly supervised.

DEMAND FOR MILK-BOTTLE DISCS IN THE WEST OF ENGLAND

E. L. McCOLL, CANADIAN TRADE COMMISSIONER

Bristol, June 6, 1940.—Several methods are employed in this territory for sealing milk bottles. That most widely used is the cardboard disc, next in importance being the aluminium cap. For certified milk a mushroom paper cap is used to cover the mouth of the bottle, which has already been closed by the ordinary disc.

CARDBOARD DISCS

As Scandinavian sources of supply of cardboard milk-bottle discs have been cut off, distributors are looking to Canada to meet their requirements. Three types are in demand—plain, press-centre, and pull-tab. Some of these are waxed, and all carry the name of the dairy. It is not possible to state accurately the proportion which the use of cardboard discs bears to the total of all sealing methods employed, but it is estimated that it accounts for one-half of this total. Previous to the outbreak of war there was a noticeable trend from the use of cardboard discs to that of aluminium caps, but this has ceased because of the difficulty in obtaining the necessary machinery and the licences to use the rather large quantities of aluminium strip required.

ALUMINIUM CAPS

In recent years the use of aluminium caps has been increasing, but has been confined to the large dairy companies, including Co-operative Societies. Apart from the fact that the capping machinery is expensive and beyond the means of the average concern, the minimum bottling capacity which would justify its installation is 200 gallons per hour. Sealing is done by automatic machines, which cut the caps from foil either 0.065 mm. or 0.08 mm. gauge, making approximately 1,000 or 700 quart-bottle caps per pound of strip, according to the thickness of the foil. The aluminium costs 1s. 7½d. per pound and is supplied to the dairies in reels of 8 to 14 pounds. The bottles sealed with aluminium caps have smaller necks than those sealed with cardboard discs. If there is a serious shortage of supplies of metal strip, an attempt may be made to find paper of suitable quality and thickness that can be substituted for aluminium. There is a scarcity of both aluminium and cardboard; both are controlled but the aluminium somewhat more strictly. Some dairies buy ready-made caps and affix them by hand or pedal machine to the bottles supplied to a portion of their trade, such as schools, since the law requires that this milk be pasteurized and the bottles sealed with aluminium caps.

Porcelain stoppers with rubber washers and aluminium caps of the crown cork type are two methods used in bottling sterilized milk, which must be hermetically sealed. The distribution of this type of milk, for which there is a special demand in concentrated industrial areas, such as Birmingham, is particularly important under wartime conditions, as only two deliveries a week are required.

HALF-PINT WAXED PAPER CARTONS

A popular method of delivering milk to factory workers is in half-pint waxed paper cartons. A Bristol dairy supplies 5,000 of these daily to one factory by

morning and afternoon delivery. The pre-war cost of these cartons was 28s. per thousand as against 37s. 6d. at present.

DOMESTIC MANUFACTURE OF CARDBOARD DISCS

A number of factories in the United Kingdom produce cardboard discs and, now that it is impossible to obtain supplies from Scandinavia, some of those whose stocks are running low are in the market for Canadian raw material. The type of cardboard employed comes in reels 24 inches in diameter carrying a strip 5 inches wide, caliper, 0.038/0.040. The reel has a centre hole of 2½ inches, although the size is not standardized. Wider cardboard would be acceptable, as it could be cut by the importer. One manufacturer uses ten tons of this board per month.

DUTIES

The United Kingdom tariff on milk-bottle caps of cardboard or of aluminium is 20 per cent ad valorem, applicable to products of non-Empire countries; duty-free entry is accorded these goods when shown to be British Empire products within the meaning of the Imperial preference regulations.

[With the extension of the United Kingdom import licensing system by an Order of June 7, the importation of milk-bottle caps is prohibited except under licence of the British Board of Trade. No shipment should therefore be made without assurance from the importer that the necessary import licence has been obtained.]

IMPORTS OF EGGS, DAIRY PRODUCTS AND HONEY INTO THE UNITED KINGDOM IN 1939

G. R. PATERSON, ANIMAL PRODUCTS TRADE COMMISSIONER

EGGS

London.—Imports of eggs in shell into the United Kingdom during the January-July period of 1939 totalled 169,749 thousand dozens as compared with 155,460 and 135,107 thousand dozens respectively in the corresponding periods of 1938 and 1937. Of the 1939 total, Empire countries supplied 19,523 thousand dozens and foreign countries 150,226 thousand dozens. Denmark was the leading supplier with 58,833 thousand dozens, the Netherlands was second with 45,951, then Ireland with 18,263, and Poland with 16,213 thousand dozens. Next in order were Roumania (8,462 thousand dozens), Lithuania (3,939), Sweden (3,677), Hungary (3,016), Yugoslavia (2,199), Finland (1,815), China (1,439), Estonia (1,223), and Egypt (1,056). Australia shipped 855 thousand dozens and Canada 359 thousand dozens. Increased shipments from foreign countries accounted for all of the increase in total imports over the two preceding years.

On the whole Canadian eggs reaching the United Kingdom market during 1939 were well received. Some reports of damage in handling were received and in each instance the injury was attributed to the weights of cases used. However, where the regular export cases were properly wired the general results were quite satisfactory. In some instances storage eggs arriving after the outbreak of war had deteriorated in condition, largely due to the length of time in transit.

WARTIME CONTROL

The wartime control of eggs during the September-December, 1939, period consisted principally of (1) the establishment of maximum prices at which trading could be carried on, and (2) the direct purchase of eggs from certain Empire countries.

On September 13 the Eggs (Maximum Prices) Order, 1939, was issued. This order defined the various categories under which eggs could be sold and established maximum prices for wholesale and retail sales. Eggs were divided into four categories as follows:—

- (i) Home-produced fresh eggs, which include eggs produced in Great Britain and Northern Ireland.
- (ii) Near-European fresh eggs, including eggs produced in Belgium, Denmark, Ireland, France, Holland, Norway, and Sweden.
- (iii) Eggs produced in the Dominions, North and South America and home-produced (Great Britain and Northern Ireland) cold stored, chilled or gas-stored eggs.
- (iv) To include all eggs other than those specified in the three previous categories.

The maximum wholesale prices ranged from 22s. per great hundred for eggs in category (i), weighing 15 pounds and up, to 10s. 6d. per great hundred for all eggs in category (iv) and for the smaller eggs in category (iii). Maximum retail prices ranged from 2s. 6d. per dozen for home-produced eggs weighing 15 pounds to 1s. 3d. per dozen for those in category (iv) and for smaller eggs in category (iii).

On September 22 the Eggs (Maximum Prices) (No. 2) Order, 1939, was issued and outlined maximum prices for the sale of eggs by wholesale and retail as in the previous order, with the exception that an additional class of small eggs was included in category (i), and 15 pound weights and up in category (iv) were permitted to be sold at 12s. 6d. per great hundred wholesale and 1s. 6d. per dozen retail.

The Eggs (Maximum Prices) (No. 3) Order, 1939, was issued under date of October 20. This order not only included maximum wholesale and retail prices, but also provided for maximum prices for the sale of eggs by an importer to a wholesaler for all eggs other than home-produced. In this order wholesale and retail prices were raised for categories (i) and (ii). In category (i), eggs weighing 15 pounds and up per great hundred could be sold at a maximum of 24s. 6d. per great hundred wholesale and 2s. 9d. per dozen retail with corresponding increases for the smaller sizes. In category (ii) the maximum wholesale price for the large size was raised to 17s. per great hundred and the maximum retail price for the same weight to 2s. per dozen. Increases were also provided for the smaller sizes.

The Eggs (Maximum Prices) (No. 4.) Order, 1939, was issued under date of November 3. This order provided a separate category for Irish fresh eggs and a revised schedule of maximum prices.

Subsequently under date of December 20, an amendment to Order No. 4 was issued, de-controlling eggs in category (i). In other words from December 20, 1939, all home-produced fresh eggs were no longer subject to maximum prices. It must be borne in mind also that at all times the maximum prices for any category were not necessarily the trading prices realized. In fact, as an example, Danish 15-pound eggs were selling in December at 4s. to 4s. 6d. per great hundred below the maximum permitted.

The direct purchase of Australian and South African eggs was made by the Ministry of Food at prices that would permit their sale by importers under category (iv) of the final order at 13s. 9d. per great hundred for 15-pound weights. There was some discussion concerning the purchase of Canadian eggs under similar conditions. This took place at the time when the maximum wholesale price for Dominion eggs was 12s. 6d. per great hundred for 15-pound weights and up. As soon as the wholesale maximum was raised to 14s. 9d. a quantity of Canadian storage eggs moved to this market.

It should be emphasized that the Ministry of Food, through its Egg Department, considered it advisable to maintain regular channels of trade so long as eggs moved freely and prices were satisfactory.

BUTTER

The total imports of butter into the United Kingdom during the first seven months of 1939 were approximately 4·2 per cent below the imports for the same period during 1938. Receipts from New Zealand were 254,107 hundredweights less than in 1938, but the total imports from Empire countries were only 76,316 hundredweights lighter. There were appreciable increases in imports from Australia, South Africa and Canada, but a reduced volume from Ireland. Imports from foreign countries were lower by 174,146 hundredweights during this period, the chief decreases being from Denmark and Sweden, while increased quantities were received from the Netherlands, Latvia and Lithuania.

Total imports of butter from all sources were 5,665,343 hundredweights as compared with 5,915,805 hundredweights in 1938. Supplies from Empire countries totalled 2,961,292 hundredweights, New Zealand contributing 1,474,458 hundredweights; Australia, 1,189,366 hundredweights; and Ireland, 119,279 hundredweights. Denmark and the Netherlands, the two leading countries among foreign suppliers, shipped 1,219,933 and 576,848 hundredweights respectively.

Canadian butter shipments to the United Kingdom during the period amounted to 86,087 hundredweights in 1939 as compared with 889 hundredweights in the corresponding period of the previous year. This was almost three times as much as was imported in the entire twelve months of 1937 and 1938, and over twice as much as that shipped in 1936. For the most part Canadian butter was used for blending. Generally, prices paid in the United Kingdom for butter from other sources were not particularly attractive to Canadian exporters. However, the United Kingdom did provide an outlet for some of the surplus Canadian stocks during 1939 and in this way assisted materially in maintaining a fair price for butter on the Canadian market.

CONTROL OF STOCKS

Since the outbreak of war the control of butter has been one of the important problems facing the Ministry of Food. It was one of the first products for which full control of prices became effective. Under date of September 13, 1939, the Butter (Provisional Maximum Prices) Order was issued and included a complete schedule of maximum prices at which butter could be sold.

Under date of September 22, 1939, the Butter (Requisition and Control) Order was issued. In brief, it required that all persons holding stocks of butter in cold store, or where the total refrigerated space was not less than 2,000 cubic feet, or holding or having power to dispose of butter arriving in Great Britain, should give a return showing the stocks and would be required to place all such butter at the disposal of the Ministry of Food.

MAXIMUM PRICES

Under date of September 23, 1939, a second Butter (Maximum Prices) Order was issued and all butter was made subject to the following schedule of maximum prices:—

On a sale first-hand price "ex store", 145s. per cwt. in bulk.

On a sale by wholesale delivered to buyers' premises, 152s. per cwt. in bulk.

On a sale by retail, 1s. 7d. per lb.

Late in the year it was announced that early in January butter would become one of the rationed foods and that the amount allowed for each person would be one-quarter of a pound per week. At the same time it was announced that a slight reduction in the maximum first-hand and wholesale prices of 2s. per hundredweight would become effective from the first of the year, but that the retail price would remain the same.

In connection with butter supplied it might be stated that shortly after the outbreak of war, negotiations were commenced with the important Empire supplying countries—Australia and New Zealand—for the purchase outright of all butter manufactured for export by them up to the end of their normal season, July and June, 1940. These negotiations were completed prior to the end of the year.

During this period there did not seem to be much opportunity of Canada participating in this wartime butter market as the price that could be paid for Canadian butter in competition with New Zealand and Australian supplies could not net Canadian exporters f.o.b. Canadian seaboard more than 24 to 25 cents per pound, whereas the Canadian market at the time was in the neighbourhood of 28 cents per pound.

Butter consumption in the United Kingdom dropped sharply before the close of the year. From a weekly pre-war figure of approximately 10,000 tons, the consumption was reduced to approximately 5,000 tons per week by the end of December, with definite prospects of further reductions once rationing commenced. Reasons for this tremendous change are well defined. The retail price fixed at 1s. 7d. per pound was considered to be too high by many consumers. It is a well-known fact that once the price of butter goes beyond 1s. 3d. to 1s. 4d. per pound a sharp drop in consumption inevitably results. Another significant factor was the extraordinary amount of publicity given to margarine by various agencies. Margarine, containing the necessary vitamin factors, selling at from 5d. to 8d. per pound is undoubtedly in a strong position. It would seem probable this position may cause a serious post-war problem in so far as butter production is concerned.

CHEESE

The imports of cheese into the United Kingdom during the first seven months of the year were slightly higher in 1939 than in the same period in 1938. A decrease of approximately 49,516 hundredweights in shipments from New Zealand was largely offset by an increase of 47,465 hundredweights from Australia. At the same time Canada increased her shipments during this period by 9,399 hundredweights and South Africa by 22,566 hundredweights. A considerable decrease in imports from the Netherlands occurred, amounting to 25,571 hundredweights.

Total imports for the period amounted to 1,645,893 hundredweights as compared with 1,638,209 hundredweights in the same months of 1938. Supplies from Empire countries totalled 1,462,786 hundredweights. New Zealand shipped 1,049,812 hundredweights; Australia, 190,144; Canada, 186,144; South Africa, 30,501; Ireland, 4,768 hundredweights. Of the total of 183,107 hundredweights from foreign countries, the Netherlands supplied 103,190 hundredweights; Italy, 45,548; Denmark, 11,427; Switzerland, 11,041; and France, 7,585 hundredweights.

Definite figures on the home output of cheese for 1939 are not obtainable, but the Milk Marketing Board and the Government gave encouragement to cheese production, particularly to home-produced cheese. There appears to have been some expansion also in the factory production, although in the early part of the summer dry weather affected the production of milk.

PRE-WAR PRICES

After remaining steady at 60s. per hundredweight for a period of eight weeks in the spring (March, April and May), the price of New Zealand cheese suddenly receded until it reached the low level of 48s. per hundredweight, when large quantities were bought up quickly. The Canadian 1938 make remained reasonably firm during this period at 70s. to 74s., but with little activity in the market. The early 1939 Canadian cheese was offered as low as 50s. in May, and some c.i.f. offers for 1938 make were made at 65s. during the period of low

prices for New Zealand. However, the market recovered rather quickly after the liquidation of New Zealand stocks, until Canadian cheese reached a figure of 62s. on July 17, which price was maintained approximately until the beginning of the war.

WARTIME PRICES AND CONTROL

On September 1, after consultation with the Food (Defence Plans) Department (The Ministry of Food), the London Provision Exchange requested the trade to hold the prices of cheese at the existing levels until further notice. At that time the official market reports showed the prices as follows: Canadian Finest, white and coloured, 62s. to 63s.; Canadian Fine, white and coloured, 56s. to 59s.; New Zealand, white and coloured, 61s.; Australian, white and coloured, 58s. to 59s.

On September 22 the following standstill prices were announced: Canadian Finest, 63s.; Canadian Fine, 59s.; New Zealand, 61s.; Australian, 59s.

On October 6 a new schedule of standstill prices was authorized by the Ministry of Food, effective October 3, as follows: Canadian Finest, 68s.; Canadian Fine, 64s.; New Zealand, 66s.; Australian, 64s.

The Ministry of Food on November 2 authorized a further increase to the following maximum standstill prices: Canadian Finest, 78s.; Canadian Fine, 74s.; New Zealand, 75s.; Australian, 73s.

The last prices issued remained to the end of the year; but in actual practice they were not effective so far as the sale of Canadian cheese was concerned. Prices were designed to maintain consumer costs as close to the pre-war levels as possible. Maximum prices had been established for English Cheddar, but the makers and the trade revolted and these prices were withdrawn. Importers of Canadian cheese proceeded to sell forward on a c.i.f. basis to the multiples and processors, and in this way circumvented the maximum prices order which, in reality, applied only to spot sales. The price began to rise for Canadian cheese, until at the close of the year it had reached as high as 96s. c.i.f.

The Ministry of Food concluded negotiations with New Zealand, Australia and South Africa for their entire output of cheese up to the middle of 1940. At the same time as negotiations were being conducted with these countries, the Ministry of Food undertook to purchase from Canada the balance of the 1939 exportable surplus. The original offer made by the Ministry of Food was on the basis of 70s. landed, purchase to be made f.o.b. in Canadian funds with normal pre-war costs deducted from the landed figure. The Canadian counter offer was for 14 cents per pound f.o.b. Montreal, which is in the neighbourhood of 77s. landed. The final Ministry of Food offer of approximately 13½ cents per pound f.o.b. Montreal was not accepted. Therefore, negotiations were broken off and an agreement reached that the Ministry should undertake to arrange to purchase the 1940 make early in the New Year.

CONDENSED MILK AND MILK POWDER

In view of the fact that under the Milk Marketing Scheme further increased outputs of preserved milks would be realized, and as it became more apparent that voluntary reductions in imports on the part of some supplying countries could not be completely effected, therefore, it was considered necessary by the Board of Trade to control importations by means of the provisions contained in section I of the Agricultural Marketing Act, 1933. The Processed Milk (Import Regulation) Order, 1939, came into effect on June 19, 1939, and provided that no processed milk could be imported into the United Kingdom unless there was produced at the time of importation: (a) a licence issued by the Board of Trade, or (b) a certificate in a form approved by the Board of Trade.

The Order applied to imports, from all sources, of condensed whole milk, condensed skimmed milk, full-cream milk powder, skimmed milk powder, whey powder and cream, and replaced the voluntary arrangements previously in force with the foreign supplying countries for the limitation of their imports into the United Kingdom.

Quotas to the supplying countries were made for the two years following the date of the Order. In total they represent these reductions from the 1938 imports: condensed whole milk, 34 per cent; skimmed milk, 18 per cent; milk powder, 35 per cent. The cream allocation was somewhat higher than imports in 1938 owing to the temporary decline in that year in shipments from Ireland.

During this period in 1939 the imports of unsweetened condensed milk from Canada were 90,084 hundredweights as compared with 103,221 hundredweights in the same months of 1938. This represents a decrease of 12·7 per cent.

Immediately following the outbreak of war the quotas were withdrawn. While import licences were freely granted, the maximum wholesale prices introduced were very much in line with pre-war figures and made it somewhat difficult for supplying countries to do business profitably. These prices were designed not only to protect the consuming public, but also to discourage any definite increase in production on the part of supplying countries in the expectation that larger supplies would be required. With the increased cost of feeding stuffs in the United Kingdom and the consequent curtailment of home production of milk, it is reasonably safe to assume that in order to maintain fluid milk supplies for the nation it may be necessary at some date in 1940 to encourage greater imports of processed milks from Empire and foreign producers.

HONEY

As in other recent years Canada supplied more honey to this market than any other country. Of a total importation of 36,786 hundredweights during this period, Canada supplied 14,666 hundredweights as compared to 8,665 hundredweights from Jamaica, 3,086 from the United States, 2,597 from Australia, and 2,174 from Guatemala.

The Canadian product has become increasingly popular in the United Kingdom as a fine quality table honey. Not only has the consumption of pure Canadian honey increased, but it is also used extensively in blends and to some extent by manufacturing chemists. The great amount of attention that has been given in recent years to care in packing and grading in Canada has been largely responsible for its present well-deserved position of importance.

Upon the outbreak of war honey was included in the list of products which could be imported only under licence. At first the authorities were not disposed to grant permits for the importation of the Canadian product, due to currency difficulties. After the supply situation had been revealed as entirely inadequate, the embargo was removed under date of November 13, after which substantial Canadian shipments were received.

The pre-war price of honey was relatively low with 35s. per hundredweight being about the maximum for Canadian No. 1 White. However, late in the year prices advanced rapidly until returns of from 54s. to 60s. per hundredweight were not uncommon. Unfortunately, the shorter Canadian crop in 1939 as compared with 1938, combined with the two months of uncertainty at the beginning of the war, tended to leave the United Kingdom importers and packers of Canadian honey in a short position.

BUSINESS CONDITIONS IN AUSTRALIA, 1939-40

L. M. COSGRAVE, CANADIAN TRADE COMMISSIONER

Sydney, May 10, 1940.—As a result, firstly, of the Commonwealth Government's decision to accord every possible assistance to sound economic secondary industries, in accordance with decisions reached in 1939 between the United Kingdom and Australia, and, secondly, of the increasingly disturbed economic and trading conditions in Europe—which brought about greater effort toward self-sufficiency in the Commonwealth—there was a decline during the first half of 1939 in imports into Australia of fully manufactured products of a type with which Canada has been particularly successful in overseas markets.

At the same time the Federal authorities were gravely concerned over internal conditions in the Commonwealth resulting from low prices for main primary products—wool, wheat, meats and dairy products—upon which the Commonwealth depends so very much for the maintenance of purchasing power, overseas financial commitments, and high standard of living. Climatic conditions also had not been satisfactory for many months. Sustained drought conditions throughout agricultural districts had had repercussions in many directions, including reductions in savings accounts in banks, and the increased withdrawal of funds.

With the declaration of war early in September, a radical change took place in the entire economic structure, Australia benefiting, perhaps, more than many countries dependent upon primary production. Wool, the chief primary product (the Australian clip supplies the world with one-quarter of total requirements) was needed by the British Government, and was purchased at a price substantially above the ruling world price prior to the commencement of hostilities. Similarly, exportable surpluses of butter, cheese, meats and dried fruits were immediately required by the United Kingdom. The purchase of these provided immediate stability to these important sections of Australian economic life, and created a buoyant spirit of optimism which enabled the Commonwealth Government to proceed without delay with wartime plans and financing. Also, while there was a reported reduction in the crop of wheat and production of wool, qualities were unexpectedly high, and in meeting the demands of the British Government (in so far as wool was concerned, within a few weeks of appraisal—the financial situation in Australia made a spectacular recovery.

Aside from the incidence of war this recovery is a striking example of the wide swings to which, owing to seasonal variations and movements in prices of primary products, Australian finance is liable.

WARTIME MONETARY CONTROL

Australia followed Great Britain very closely in the promulgation of drastic control of resources by the institution of the National Security (Monetary Control) Regulations. These regulations brought the Australian foreign exchange system under the direct control of the Central Bank. In the transaction of overseas business all trading banks were appointed associates of the Commonwealth Bank, which ensures that all transactions must be done officially through established channels. In this way the existing bank structure was enlarged without undue alteration. All banks must transact business on the basis of the Australian-London exchange rates quoted by the Commonwealth Bank. Individuals were prohibited from taking or sending Australian currency out of the country, such prohibitions applying equally to notes and gold. The control was extended to cover all gold held overseas by private individuals, who were required to make a return stating the quantity held by them, and were prohibited from disposing of or dealing with such gold in any way without official permission.

CONSERVATION OF DOLLAR EXCHANGE

Australia also followed the lead of the United Kingdom in her decision to conserve non-sterling funds for urgent and vital purchases in countries not linked with the pound sterling. This decision seriously affected Canada, as, for purposes of overseas exchange, Canada, Newfoundland and Hongkong are not included in the sterling group, but are classified as "foreign" or "non-sterling". This decision was implemented on December 1 by the promulgation of the Customs (Import Licensing) Regulations, to supplement the National Security (Monetary Control) Regulations. Under the Customs (Import Licensing) Regulations drastic restrictions were imposed on all imports from non-sterling countries and these restrictions were to be added to, if and when considered necessary. It was anticipated that the Commonwealth Government would initially conserve some £3,500,000 sterling as a result of these measures.

The restrictions took the form of classification into four categories (A, B, C and D)—"Very Important," "Important," "Less Important," and "Unimportant" or "luxury" items. The importation of goods classified under Category D was prohibited entirely as from date of promulgation (December 1), and covered some 440 items. Imports of goods in categories A, B and C were further limited to quantities equivalent to those imported during the "base year," i.e., the 12 months ended June 30, 1939, to correspond with the Australian fiscal year.

Numerous supplementary regulations, designed to prevent any evasion whatsoever of the purpose of these regulations, viz., the conservation of non-sterling exchange, were issued in connection with the Customs (Import Licensing) Regulations.

Other acts promulgated by the Commonwealth Government included the Customs (Overseas Exchange) Regulations, which prohibit the export of goods from Australia except under licence. The system of issuing licences before goods can be exported is designed to ensure that the proceeds of all Australian exports will be received into the banking system. It was further realized that the retention of capital within the country was not sufficient in itself, and additional supervision of investment in Australia was assured by the promulgation of the National Security (Capital Issues) Regulations. Under these regulations no new capital can be raised, nor can any company remove its place of registration outside Australia without the consent of the Commonwealth Treasurer. With this form of control it is expected that only approved industries will be permitted to call on the public for additional funds, and thus prevent the establishment of uneconomic industries which might prove a drain on the country's resources at the conclusion of the war.

TRADE AGREEMENTS

During 1938 it was not possible to assess fully the effect on Canadian trade with the Commonwealth of the Canadian-Australian trade negotiations in 1937, the abrogation of Australia's trade diversion policy in respect of the United States, and of certain minor agreements entered into with Japan and European countries. It was abundantly evident during 1939, however, that the various agreements had accomplished to a considerable degree the original intent of the Australian Government, viz., a general improvement in Australia's two-way trade with the overseas countries concerned, and the elimination of various points of friction which had affected amicable trading relations to some extent in the past.

The abrogation of the trade diversion policy was expected to affect considerably Canada's rapidly increasing trade in a wide range of departmental store requirements and light manufactures. In 1939, however, the rapid deterioration in the European situation resulted in such an increased demand for North American sources of supply that Canada shared equally with the United States

in this increased trade. Admittedly, this readjustment of trade was of a temporary nature; but the ability of Canadian exporters to meet Australian requirements of many commodities not previously exported to the Commonwealth should undoubtedly result in a permanent transference of trade when hostilities cease.

SECONDARY INDUSTRIES

Besides the encouragement to secondary industry as a result of the recognition of Australia's need of greater industrial development, the shortage of supplies and uncertainty of deliveries of manufactured items, particularly from European sources, provided an additional stimulus to Australian manufacturers during 1939. Although actual defence orders had not reached large proportions at the end of the year, numerous additions to established heavy industries had been authorized by the Commonwealth Government, involving substantial initial expenditure on plant and machinery.

Employment in factories in 1939 kept pace with that of the previous year, despite the exceedingly disturbed conditions prevailing, total factory employment averaging at least 552,000 as compared with 560,000 in 1937-38 and 524,000 in 1936-37. Employment in the metal trades is regarded as a particularly sound index to industrial activity in Australia, indicating with considerable accuracy the demand for capital goods, such as plant and industrial equipment and building materials. In this connection employment figures were estimated at over 47,000 at the end of 1939 as compared with 45,000 at the end of 1938 and 38,000 during 1937.

There has been growing diversification of production in secondary industry: both for defence reasons, such as the refining of shale oil at Glen Davis, where production has begun on a small scale; and as a natural development of normal industry, such as the aluminium plant being erected near Sydney. Production of shale oil is expected to reach 10 million gallons within the next three years, and the project is supported entirely by the Commonwealth Government as a defence measure. With regard to aluminium, the modern mill is being established under the joint direction of British and Canadian aluminium interests, in conjunction with Australian industrial concerns. Although the latter project was not originally devised to meet wartime requirements, the industry should play an important part in meeting the demand for war materials as well as requirements for domestic use.

Aircraft production made rapid progress during the year, the output of the Australian-designed Wirraway machine steadily increasing. Progress was made with various aircraft undertakings involving an expenditure of some £A20 million.

In connection with aircraft manufacture and the production of munitions, numerous subsidiary industries have been established for the production of gauges, dies, and various types of machine tools formerly imported from the United Kingdom.

Electrical and radio industries also made considerable progress in 1939. The output of small valves for broadcasting and of commercial receivers by the Amalgamated Wireless Valve Company at Sydney reached a rate of one million a year, and during 1939 the company also undertook the production of transmitting valves. Australian manufacturers also installed well over 100 wireless telegraph transmitters on ocean-going vessels, while marker beacons ordered by the Civil Aviation Board were manufactured and installed, in conjunction with ultra high frequency radio course beacons, at the principal aerodromes throughout the Commonwealth.

With the possibility of securing a greater proportion of the necessary materials locally—good quantities of steel plates, for example—shipbuilding in

the Commonwealth has been given new impetus; although the resources of the main shipbuilding yard at Cockatoo Island, Sydney, have been concentrated almost entirely upon naval work since the outbreak of war.

In spite of the uncertainty in the building trade towards the latter part of 1939, manufacturers of builders' supplies and allied products continued to report good sales, and certain firms ventured into the production of heavier requirements, such as boilers, boiler equipment, and cranes. The production of chinaware and plastic mouldings also increased, as well as production in various branches of the chemical industry. The latter claims to be in a position to supply most of the basic requirements in the Commonwealth.

The past year was an extremely busy one for textile trades in Australia, most factories working to capacity at the end of the year. Plant was imported to equip factories in three States for the manufacture of such items as cotton canvas and duck, principally to meet the extensive requirements of the Defence Department. An important new development was the alliance of a tire company with a cotton manufacturing company for the production of cord and fabric for motor-car tires. (This was the subject of a special report in *Commercial Intelligence Journal* No. 1885, March 16, 1940.)

Of outstanding importance in the field of Australian secondary industry has been the remarkable development of steel and iron production. The Commonwealth ranks with leading world producers of steel, both in quality and low cost, being considered on a par with Sweden in the important factor of the ratio of fuel used to steel produced. During 1939 many important additions of plant for rolling-mills, electric motors, and furnaces, all of the most modern types, were imported from overseas and installed. Most of this type of material has not been procurable since the outbreak of war.

The major development in this field during 1939 was the completion of two important rolling-mills: one for galvanized sheets, and the other for motor-body and other fine sheets. The new mill producing galvanized sheets has been working three shifts, employing 800 men, and manufacturing at the rate of 50,000 to 75,000 tons per annum.

The completion of the Commonwealth Rolling Mills Pty., Ltd. (the joint enterprise of the American Rolling Mills Company and the Broken Hill Proprietary) added a capacity of some 36,000 tons of iron sheets per annum to Commonwealth production, 20,000 being devoted to motor body sheets. In addition, thin sheets for transformers and other electrical purposes, formerly imported, are produced locally for Australian commercial needs.

During 1939 also two additional blast furnaces were in operation at the steel works of Australian Iron and Steel, Ltd., and the capacity of this plant was augmented to some 2,000 tons of pig iron a day. An additional open-hearth steel furnace brought ingot capacity during 1939 up to 500,000 tons. Australia's most important non-ferrous metal works—Metal Manufacturers, Ltd.—greatly extended operations by the erection of a new foundry, permitting of increased and more efficient production of lead-sheathed and armoured cable.

It is expected that in future Far Eastern markets will draw increasingly on Australia for supplies of iron and steel, particularly such countries as Japan, China, Netherlands East Indies and India.

From the foregoing it will be realized that the Commonwealth of Australia entered this war in a far greater state of preparedness than was the case in 1914. There is little doubt that, if hostilities continue for two or three years, the development of secondary industry in Australia will necessitate a drastic reorientation of trade relations with her present overseas suppliers of light and heavy industrial requirements.

SALES OPPORTUNITIES IN THE MEXICAN MARKET

R. T. YOUNG, CANADIAN TRADE COMMISSIONER

(6 pesos equal U.S.\$1.)

Mexico City, June 17, 1940.—Mexico imported, in 1939, merchandise to the value of U.S.\$121,444,000, of which the United States supplied to a value of approximately U.S.\$69,306,000. The following table, compiled from information supplied by the Mexican Department of Statistics, shows the values in pesos of imports for the years 1938 and 1939 from the principal countries supplying the market:—

	1938 Pesos	1939 Pesos
United States	284,933,491	415,834,290
Great Britain	20,160,723	16,584,753
Germany	93,436,866	20,284,344
France	19,945,842	23,163,293
Spain	2,121,948	2,411,984
Netherlands	4,743,879	5,563,785
Switzerland	7,912,270	7,814,415
Belgium	6,983,294	10,199,405
Sweden	11,640,825	12,246,791
Italy	9,610,185	14,154,676
Japan	8,770,669	7,269,499
Czecho-Slovakia	2,753,752	770,601
Canada	5,155,039	7,035,229

From the above table it will be noted that many countries which formerly supplied the market are not now, for obvious reasons, in a position to do so, and therefore Mexico must look elsewhere for those products formerly imported from them. Chief among these countries was Germany. A report published in *Commercial Intelligence Journal* No. 1865 (October 28, 1939) and entitled "Trade Opportunities in Mexico," refers particularly to trade with Germany and includes a list of the principal items imported from that country into Mexico.

Other countries which were formerly sources of supply for Mexico, and are now similarly affected are France, Italy, Belgium, Norway, Sweden, and Holland. The principal items imported from these countries and which Canada might undoubtedly be able to replace are: malt; base metal cable; iron and steel piping; cotton hosiery; paints and varnishes; manufacturing machinery; hand tools; carded wool; woollen fabrics, carpets and rugs; artificial silk thread and fabrics; pharmaceutical products; liquors; cheese; starch for industrial purposes; linseed oil; stearine in cakes; oxide of zinc; electric wire and cable; mechanical wood-pulp; cellulose pulp; dynamos and motors; hollow drill steel; cotton elastic webbing; serums; manufactures of glass; musical instruments; switches, cut-outs and rosettes for electrical installations; plywood and veneers; domestic electric appliances; and cigarette paper. According to the Dominion Bureau of Statistics, Canada in 1939 exported to Mexico merchandise valued at \$3,003,750 (\$3,484,305 in 1938).

In view of world conditions and judging by the inquiries received in the office of the Trade Commissioner at Mexico City, there are excellent opportunities in this country for Canadian manufacturers and exporters interested in expanding their markets or securing new ones to replace those now lost. It is essential that they study the market, preferably at first hand, and understand and appreciate, at least to some extent, the temperament and habits of those with whom they intend to deal. The following table shows the principal items imported into Mexico during 1937 and 1938:—

Principal Imports into Mexico

	1937		1938	
	Kilos	Pesos	Kilos	Pesos
Rayon thread and floss	5,498,862	13,574,730	4,355,588	11,798,233
Pipes, tubes and fittings, of iron and steel	71,858,267	20,338,314	18,108,830	7,626,546
Pulp for manufacture of paper	36,332,749	6,682,754	25,987,110	6,227,241
Cotton cloth	1,891,979	7,566,295	1,100,327	5,845,100
Capsules, pills, etc.	214,404	5,520,018	167,292	5,725,054
Injectable solutions and preparations . .	142,407	5,671,532	119,547	5,722,656
Newsprint paper	27,601,702	4,290,456	21,029,462	5,432,133
Iron and steel sheets	40,610,125	9,801,702	16,164,478	5,193,380
Skins, tanned	200,356	5,147,591	132,271	4,077,869
	Number		Number	
Radio apparatus	101,142	8,182,895	37,125	4,053,677
	Kilos		Kilos	
Paper and cardboard, unfinished	18,211,502	5,759,718	11,572,027	3,828,167
Drugs and pharmaceutical specialties, n.o.p.	312,110	3,609,069	217,759	3,402,966
	Number		Number	
Electric motors	18,432	2,729,065	8,783	3,070,073
	Kilos		Kilos	
Liquors	765,923	2,770,245	651,607	2,981,302
Cloth, wool	117,874	2,261,261	84,157	2,391,848
Lard and compounds	2,854,401	2,690,395	2,785,538	2,204,397
Agricultural implements	2,060,697	2,420,811	1,410,023	2,170,234
Cigarette paper	839,994	1,758,383	881,088	1,955,929
	Number		Number	
Bicycles and motorcycles	38,526	2,752,780	17,246	1,797,149
Fish and shellfish, preserved	1,156,542	1,219,498	1,438,296	1,773,459
Malt	5,818,488	2,357,302	4,112,973	1,626,540
Insulated wire of common metal	588,711	933,306	706,937	1,189,861
Chinaware and porcelain	780,615	1,036,490	674,156	1,151,445
Firearms	85,566	3,172,900	22,179	1,098,307
	Kilos		Kilos	
Barley	4,588,451	1,017,888	5,493,280	1,069,546
Paints and varnishes	1,324,017	1,740,843	571,065	999,583
Railway material	18,495,292	2,861,572	3,613,807	996,155
Inks	424,212	968,577	344,903	951,016
Copper, electrolytic	923,472	928,497	705,044	829,157
Cheese	554,686	813,296	504,036	790,619
Seeds for agriculture	652,864	780,266	446,591	726,271
Pine and spruce wood for construction	26,268,007	2,304,135	8,151,729	717,749
Fresh fruits	2,627,913	665,040	2,432,978	704,790
	Number		Number	
Ploughs	42,346	1,561,582	13,622	669,758
Felt hats	91,665	1,129,946	46,321	664,158
	Kilos		Kilos	
Machinery for carding, spinning and weaving	1,105,575	1,268,388	566,891	651,550
Zinc in filings or pulverized	847,043	650,750	839,835	634,082
Packing	177,601	705,141	108,580	627,631
Agricultural machinery	651,893	751,893	613,619	613,619
Automobile tires, pneumatic	427,194	753,116	160,538	574,366
Ham	236,993	504,408	224,131	566,922
Animal fats, n.o.p.	4,460,747	1,652,383	1,318,559	519,116
Oats	323,909	88,607	2,134,365	392,039
Vegetable foodstuffs, canned n.o.p. . .	607,957	554,874	376,897	499,773
Paints, mineral, unprepared	406,967	790,829	242,889	478,812
Stearin	1,003,168	478,043	841,511	449,988
	Head		Head	
Cattle	2,288	490,448	1,764	425,071
	Kilos		Kilos	
Belting for machinery, leather	52,641	512,882	30,813	328,541

In the case of fabricated merchandise it is desirable where possible that the manufacturer or exporter supply the office of the Trade Commissioner with a reasonable quantity of samples, catalogues and price lists, together with discounts, preferably c.i.f. Mexican ports of entry—Nuevo Laredo, El Paso, Tampico, and Veracruz—with his first communication. Information should also be supplied as to the type of representation desired, terms of payment to be granted and rate of commission to be paid. The exporter will save time and correspondence by consulting the Department at Ottawa with reference to customs duties, documentation and other regulations. Information concerning the standing of the prospective representatives or merchants can almost invariably be supplied by the Trade Commissioner on request, without, of course, responsibility or prejudice to all concerned.

EXPORT OPPORTUNITIES IN PERU

M. J. VECHSLER, CANADIAN TRADE COMMISSIONER

(At current exchange 6.50 soles equal U.S.\$1.)

Lima, May 31, 1940.—Peru, one of the few countries in Latin America wherein neither import nor exchange control regulations are as yet in force, found itself in a somewhat difficult position following the outbreak of war. As in other South American countries, imports from Germany had obtained a commanding position, despite the fact that Germany was far from being the principal purchaser of Peruvian products.

Principal exports from Peru have been cotton, sugar, petroleum, and copper. Over a number of years Peru has had a favourable balance of trade but, with restrictions now in force in many countries affecting purchases of the foregoing commodities, with the European market cut off and with practically no market for them in the United States, the result has been a current shortage of United States dollar exchange owing to heavy purchases by Peru from that country.

As yet there have been few reports of a definite shortage of any article or product and, although prices have risen quite sharply, it is to the United States that Peru has principally turned for supplies of most products, particularly metals, although imports from Canada have practically doubled since the outbreak of hostilities.

IMPORTS BY COMMODITY GROUPS

Total Peruvian imports in 1939 were valued at 255,787,376 soles, a slight reduction from the 1938 total of 260,158,735 soles.

In the following analysis, with a view toward indicating those particular lines, Canadian sales of which could be increased or for which a new market could be developed in Peru, the following table has been compiled showing total imports under main headings. This is followed by an analysis of the import figures for the principal items, listing sources of supply. From this summary interested Canadian exporters may determine whether or not there is a favourable market for their particular commodities in Peru.

Imports into Peru in 1939 by main groups were as follows:—

	Soles
Cottons	14,314,577
Wool, hair and feathers	6,220,353
Linen, jute and other similar textile fibres	7,586,685
Natural and artificial silk	4,455,768
Furs	1,830,106
Furniture	688,418
Metals and jewellery	32,702,315
Stones, earths, ceramics and crystals	7,153,222
Lumber, cane, vegetable and straw fibres	8,935,087
Barks, colourings, inedible oils, gums and polishes	16,548,198
Live animals	1,507,163
Stationery, paper and cardboard	10,547,742
Naval supplies, tools, machinery and vehicles	56,118,038
Music and musical instruments	400,123
Arms, munitions and explosives	5,011,995
Electrical articles and apparatus	9,788,946
Sports goods	2,478,210
Beverages and liquors	1,284,055
Foodstuffs and specialties	32,328,713
Chemical, pharmaceutical and biological products	20,460,190
Miscellaneous	9,097,068
Non-tariff items	6,330,404

COTTONS

Principal suppliers of cottons to Peru in 1939 were: Japan (S/4,073,452); United Kingdom (S/3,885,120); Germany (S/2,465,963); and United States

(S/1,286,725). Among the principal items were: cotton thread on reels (S/1,188,492); mercerized cotton thread for manufacturing fabrics (S/410,465); cotton fabrics of various kinds; cotton fabrics having up to 40 threads and weighing 70 to 200 grams per square metre (S/1,873,458); cotton fabrics, dyed, having up to 40 threads and weighing 70 to 200 grams per square metre (S/1,816,964); stockings and socks (S/765,961); stockings and socks with mercerized ornaments (S/729,108); pocket handkerchiefs (S/254,186); bed covers and table covers (S/390,927).

WOOLLENS, HAIR, AND FEATHERS

Of the total value of importations under the above heading in 1939, amounting to S/6,220,353, fabrics were valued at S/3,949,334; manufactures at S/1,043,266; threads at S/948,772 and the foregoing, in a raw state, at S/278,981. The United Kingdom was the principal supplier, imports therefrom being valued at S/2,826,335, and was followed by Germany with S/1,492,959.

The principal items were as follows:—

	Sales
Wool, embroidering and for all kinds of knitted stuffs.. .. .	493,380
Wool for the manufacture of fabrics in any form	430,764
Fabrics, baize, of all kinds	653,882
Fabrics weighing up to 195 grams per square metre and having over 16 threads	679,444
Fabrics weighing 185 and up to 350 grams per square metre and having more than 16 threads	1,122,078
Fabrics weighing over 350 grams per square metre and having over 16 threads	403,875
Articles of knitted stuff without silk, n.e.m.	208,186
Hats of hair, soft.. . . .	346,901

LINEN, JUTE, FLAX, AND SIMILAR TEXTILE FABRICS

Manufactures composed the bulk of the importations under this heading, principally made up of jute imported from India for use in the cotton and sugar industries. These manufactures accounted for S/6,291,333 of the total import value of S/7,586,685 in 1939. Imports of fabrics and passementerie were valued at S/940,367, and those of threads at S/351,013. The principal items follow:—

	Sales
Thread in skeins	266,562
Fabrics containing up to 10 threads in warp and weft.. . . .	612,375
Empty bags for packing, new or used.. . . .	6,142,277

NATURAL AND ARTIFICIAL SILK

Of the total importation in 1939 under this heading, which were valued at S/4,455,768, that of threads was valued at S/2,438,019; of manufactured goods at S/1,231,463; and of fabrics and passementerie at S/775,451. Germany was the main supplier, closely followed by the United Kingdom and Italy. The principal items imported were:—

	Sales
Silk yarn for the manufacture of stockings and fabrics	2,301,455
Fabrics, bleached, printed or dyed, weighing more than 30 grams per square metre	250,168
Neckwear	142,299
Stockings of natural silk	547,390

FURS, HIDES AND SKINS

Germany was the principal supplier, with imports valued at S/501,492 out of total imports worth S/1,830,106. The United States and France followed

with S/420,685 and S/411,793 respectively. The greater proportion of the imports is under the sub-head "hides and skins." The principal items follow:—

	Soles
Hides or skins of all kinds, prepared	926,548
Skins, tanned or semi-tanned, other kinds (furs)	350,728

FURNITURE

The only item of importance under this heading is steel furniture, imports of which were valued at S/248,740. The United States was the principal supplier.

METALS AND JEWELLERY

This group is one of the more important among Peruvian imports, with a value of S/32,702,315 in 1939. The principal source of supply was the United States (S/16,432,161); Germany followed with (S/8,997,629), and the United Kingdom with (S/1,928,381). The principal items follow:—

	Soles
Steel in bars for mining drills	234,348
Iron and steel in sheets, plates, girders, etc.	6,680,328
Aluminium in sheets	257,781
Copper, bronze, and brass, in bars or sheets	219,587
Tin in bars or sheets	559,123
Galvanized iron in sheets	1,505,919
Iron prepared for autogenous welding	330,066
Tinplate	3,128,117
Iron or steel wire over one-half mm. in diameter	1,092,529
Hygienic apparatus	514,441
Articles of wrought iron	587,338
Iron or steel cables or ropes	715,505
Pipes and tubes, water	716,502
Pipes and tubes, other kinds	4,739,868
Locks of iron or steel	219,529
Drums of iron or steel	442,072
Nails over 25 mm.	670,384
Hoop iron or steel	328,513
Building materials, sheets, plates, bars, girders, etc., prepared..	533,362
Bolts and nuts	257,602
Fencing posts	233,116
Bridges and gates	370,847
Rails and accessories	710,817
Tanks and silos	385,955
Watches	229,291
Tubes for bedsteads, less than one millimetre thick (wall)	261,954

STONES, EARTHS, CERAMIC WARE AND GLASSWARE

Goods to the value of S/7,153,222 were imported in 1939 under the above heading, of which Germany supplied to the value of S/2,301,560 and the United States to the value of S/1,971,265. The principal items follow:—

	Soles
Sanitaryware or earthenware	758,180
Tiles	289,536
Coke	157,770
Coal	216,074
Cement, Portland	1,047,644
Cement, white	232,998
Glassware	229,715
Flasks and bottles	202,297
Fire bricks for industrial use	300,424
Earthenware	545,232
Earth, Fuller's	213,375
Sheet glass	341,242

WOOD, VEGETABLE FIBRES, AND STRAW

The total importation under this heading amounted to S/8,935,087, the bulk of which is under the heading "lumber in a raw or prepared state," the imports of which were valued at S/8,154,078, and "manufactured products" at S/781,009.

The United States was the principal supplier, imports from that country being valued at S/5,274,292, followed by Canada with a value of S/1,701,336. The principal items were:—

	Sales
Ordinary lumber, sawn in boards, planks, etc.	4,543,811
Railway sleepers	468,579
Box shooks	2,243,594
Plywood	386,783
Cork, including crown cork discs, etc.	286,625

BARKS, COLOURING MATERIALS, BLACKINGS, AND GUMS

Goods under the above heading were imported into Peru in 1939 to the value of S/16,548,198. Of this total, colouring materials and paints made up S/4,341,610; oils, varnishes and polishes S/6,174,416, and industrial gums S/6,042,172. The United States was the chief supplier with S/8,388,330, followed by Canada with S/2,212,747 and Germany with S/1,747,923. Imports from the United Kingdom, the next largest supplier, were valued at S/1,437,807. The principal items were:—

	Sales
Ultramarine blue	246,560
Colourings derived from coal tar	1,341,302
Colourings derived from sulphur	198,409
Barks and other tanning products in natural state	632,105
Enamel paint	172,763
Paints prepared with oil, including floor paint	774,381
Petroleum oils used as lubricants	2,327,485
Petroleum oils in receptacles of less than 15 kilograms	3,331,666
Paraffin and wax, industrial	1,447,456
Linseed oil	249,008
Flotation oils	291,941
Inner tubes of rubber or gum for bicycles, motorcars and lorries	376,789
Tires for bicycles, motor cars and lorries	4,464,546
Rubber articles, manufactured	252,503

LIVE ANIMALS

Imports of live animals, consisting almost entirely of cattle for food purposes, were valued at S/1,507,163. The bulk of these came from Nicaragua, the value being S/1,023,535.

STATIONERY, PAPER, AND CARDBOARD

Total imports under the above heading in 1939 were valued at S/10,547,742. Stationery items accounted for S/2,970,190; those consisting of paper, cardboard and its manufactures were valued at S/7,577,652. The United States was the principal supplier with S/3,958,372 and was followed by Germany with S/2,-236,057, and Sweden with S/1,480,590. The principal items follow:—

	Sales
Typewriting machines and spare parts	1,259,901
Calculating machines and spare parts	472,507
Advertising matter	332,689
Printed books and pamphlets	359,254
Photographic paper	218,526
Paper, non-satiny, tar or kraft	207,352
Paper, non-satiny, tar or kraft, on reels	860,544
Paper, yellowish white, also surface-coated, etc.	590,493
Newsprint	1,670,506
Bank notes	332,202
Wood-pulp	396,230

SHIP'S STORES, INSTRUMENTS AND TOOLS, MACHINES AND VEHICLES

For this group, which shows the heaviest importation of the several listed previously, a total is recorded of S/56,118,038 in 1939. This group is composed of three divisions, of which naval articles account for S/1,026,065; tools and

instruments for S/5,464,771, and machinery and vehicles for S/49,627,202. Imports from the United States dominated in this group and were valued at S/40,346,507, those from Germany at S/6,376,883 and from the United Kingdom at S/5,144,175. The principal items follow:—

	Sales
Cordage, over 9 mm. in diameter	673,460
Tools for use on ships	227,373
Ploughs, shares and accessories, etc.	287,574
Packings of all kinds	619,556
Instruments and tools, n.e.s., for agricultural, zootechnics and mining	1,678,053
Filtering sacks	375,932
Aircraft	1,266,004
Railway cars, locomotives and locomobiles	936,073
Fire-engines and apparatus	248,553
Motor lorries and chassis	6,125,305
Omnibuses and ambulances	588,322
Motor vehicles weighing less than 2,000 kilos	5,955,178
Goods wagons for railways	1,509,267
Railway passenger carriages	212,289
Boilers of all kinds	304,514
Vessels	323,255
Transmission belts and ropes	710,324
Machinery for agriculture, mining, dairying, etc.	5,751,810
Machinery for industries directly connected with agriculture, mining and shipping	2,189,520
Instruments and tools n.e.s. for arts and crafts	1,269,447
Machinery for other industries	6,995,129
Machinery for sewing and parts	1,217,420
Printing machinery, type and parts	293,835
Meters, gas, water and alcohol	372,283
Cranes of all kinds	221,194
Spare parts for motor vehicles and bicycles, n.e.s.	3,371,406
Spare parts for machinery	8,990,332
Valves of all kinds	497,087

MUSIC AND MUSICAL INSTRUMENTS

Total imports under this heading were valued at S/400,123. The United States supplied to the value of S/121,716; Germany, S/99,428; France, S/50,587; Chile, S/47,261; and Japan, S/44,141.

ARMS, AMMUNITION AND EXPLOSIVES

Goods to the value of S/5,011,995 were imported under this heading, of which the United States supplied to the value of S/3,397,680; Germany, S/894,382; and Norway, S/225,083. The four principal items were:—

	Sales
Primers, mining	493,331
Blasting fuses of all kinds	540,134
Powder for mining, quarrying and agricultural purposes	232,480
Dynamite and other explosives of the same kind	3,378,857

ELECTRICAL ARTICLES AND APPARATUS

Total imports were valued at S/9,788,946. The United States was the chief supplier, imports from that country being valued at S/5,006,004. Germany followed with supplies valued at S/1,686,329. The remainder of the imports were chiefly supplied by Belgium, the Netherlands, Canada, and the United Kingdom in the order named. The principal items were:—

	Sales
Electrical accessories, cut-outs, plug boxes, fuses, etc.	563,249
Batteries weighing up to 30 kilos, and spare parts	524,246
Wire, up to 3 mm. in diameter	417,843
Wire, copper, covered	384,131
Wire, special for telephone, lead coated	275,824
Apparatus, wireless	1,760,894
Apparatus, telephonic, n.e.s.	332,617
Apparatus, household, weighing over ten kilos each.	406,914

	Soles
Electric refrigerators and parts	586,279
Incandescent lamps up to 50 watts	366,410
Incandescent lamps over 50 and up to 200 watts	258,406
Meters, electric light, domestic	199,551
Spare parts n.e.s.	210,110
Switchboards, for dynamos, central electric power and telephone stations	686,594
Transformers	635,441

TOYS AND SPORTS ARTICLES

Toys and sports goods to the value of S/2,478,210 were imported into Peru in 1939. Chief suppliers were the United States (S/906,708); Germany (S/654,199); Japan (S/306,598), and the United Kingdom (S/211,419). The principal items were as follows:—

	Soles
Moving picture projection machines and parts	204,659
Bicycles	384,306
Toys of all kinds of any material	413,602
Films, exposed, silent or sound	744,881

BEVERAGES AND LIQUORS

Britain was the chief supplier of this group in 1939, imports from that country being valued at S/872,006 out of a total importation valued at S/1,284,055. Imports from France were in second place with a value of S/198,679. Imports from the United Kingdom consisted principally of Scotch whisky, and those from France of French wines and champagnes.

FOODSTUFFS AND SPECIALTIES

Imports under this heading, which include those of wheat, were valued at S/32,328,713. Argentina was the principal supplier, with imports, almost entirely wheat, valued at S/12,497,230. Other principal suppliers were the United States, Siam (rice), the Netherlands, Chile, and Ecuador. The principal items follow:—

	Soles
Olive oil	418,028
Rice	4,248,298
Oats, hulled or not	214,211
Oats, prepared as foodstuffs—Quaker oats	565,882
Cocoa in the bean	210,514
Barley, roasted or germinated	983,594
Preserves, of vegetables, prepared in any form	236,267
Preserved meats, n.e.s.	484,680
Sweetmeats, confectionery, chocolates, etc.	554,230
Fruit, fresh, of all kinds	946,156
Fruit, in water, syrup or its juice	312,616
Coconut fat, also fish fat, hydrogenated or not	276,461
Flour, wheat	492,806
Milk, whole, evaporated or condensed	3,536,963
Hops	363,911
Butter	384,025
Cheese of all kinds	479,439
Sardines	248,612
Tea	846,914
Wheat	11,977,003

CHEMICAL, PHARMACEUTICAL AND BIOLOGICAL PRODUCTS

Total imports of the above commodities were valued at S/20,460,190. Four divisions go to make up this total, as follows: chemical and pharmaceutical products (S/12,466,378), pharmaceutical specialties (S/5,040,911), biological products (S/767,914), and articles for drug stores (S/2,184,987). Imports from the United States were valued at S/9,316,845, those from Germany at S/5,321,321,

from the United Kingdom at S/1,597,375, and from France at S/1,159,115. The principal items follow:—

	Soles
Acetylsalicylic acid	214,956
Calcium oxide, quick or slaked lime	311,566
Calcium carbide	224,551
Calcium chloride	218,020
Essences for the manufacture of liqueurs, aerated waters and essences for medicinal purposes	349,913
Insecticides and fungicides such as arsenate of lime, arsenate of lead, etc.	1,804,644
Yeasts	527,713
Fluid ethyl for industrial use	939,389
Organic products, natural or synthetic, n.e.s.	223,224
Quinine salts, etc.	518,337
Sodium carbonate	504,935
Sodium cyanide for industrial use	1,150,587
Sodium hyposulphite, caustic soda	651,049
Infants' foods	639,939
Patent medicines in containers up to 500 cubic cm.	265,102
Patent medicines in ampoules	403,672
Patent medicines in pills, granules, etc.	302,354
Patent medicines in receptacles up to twenty pieces	551,765
Patent medicines up to 100 pieces	327,254
Patent medicines, granulated, in receptacles up to 300 grams.	205,863
Patent medicines in ointments, pomades, etc., up to 100 grams.	223,876
Patent medicines, elixirs, syrups, etc., up to 250 cubic cm.	319,011
Serums and vaccines	447,807
Trusses, elastic bandages, etc.	269,653
Surgical gauze	292,761
Surgical instruments, etc.	292,008
Electrical machines for medical use	348,407

MISCELLANEOUS

The principal items in the miscellaneous group were as follows:—

	Soles
Agricultural fertilizers	2,683,142
Starch and flour of all kinds for sizing tissues	218,187
Manufactured articles, n.e.s., of rubber, celluloid, galalith or composition	214,054
Wooden matches	734,442
Table oilcloth	229,403
Scientific instruments	396,876
Photographic apparatus and parts, n.e.s.	214,592
Tooth pastes, creams, powders and soaps	666,197
Perfumery, toilet oils, tooth washes, face powders, ointments or lotions	411,176
Photographic films of all kinds, unexposed	310,635
Tobacco in twists or leaf tobacco	783,787
Cigarettes	441,319

PERUVIAN LUMBER MARKET

M. J. VECHSLER, CANADIAN TRADE COMMISSIONER

(The average exchange rate for the Peruvian sol in 1938 was 4.50 to the United States dollar.)

Lima, May 13, 1940.—The Peruvian market for lumber is practically controlled by some half dozen long-established firms. The railways purchase for their own account through these firms, the largest mining company in the country buys through its purchasing office in the United States (the Cerro de Pasco Copper Corporation, 44 Wall Street, New York City), and the largest oil firm operating in Peru obtains its supplies through its purchasing office in Canada (the International Petroleum Company Limited, 56 Church Street, Toronto).

A number of fairly large saw-mills in Lima and Callao cater to the general building trade. These firms, who control the bulk of the import market, almost invariably purchase through the merchant firms referred to above. It is

significant that the principal firms engaged in this trade are also either steamship operators or agents. The firm obtaining the greater part of the Peruvian lumber business is Messrs. W. R. Grace & Company, who operate their own fleet of steamers from Puget Sound and North Pacific ports. Other factors in the trade are the granting of terms and the carrying of credit risks. This is done by the larger merchant firms in Peru, but the average agent or representative is not in a position to do so. Then too, these concerns appoint a member of the firm to supervise their business and promote sales. The average agent or representative rarely devotes his whole time to his lumber agency, in addition to being handicapped through his inability to extend terms.

MERCHANTABLE LUMBER

The Peruvian import market for ordinary, rough, merchantable lumber in 1938, the latest year for which detailed returns are available, amounted to upwards of 56,000,000 board feet. Of this amount the Cerro de Pasco Copper Corporation imported approximately 10,000,000 feet, the purchase of which was almost entirely effected through Messrs. J. J. Moore & Company, of San Francisco, California. In addition this firm purchases from 20,000 to 25,000 railway sleepers each year, principally California redwood, for the Cerro de Pasco Railway, which it owns and operates between Oroya and Cerro de Pasco, Peru. Merchantable lumber imported at Talara, Peru, principally for the account of the International Petroleum Company Limited, amounted to slightly less than 4,500,000 feet. The remainder of the imports amounts to approximately some 40,000,000 feet.

The buying is keen, every effort being made to obtain as good value as possible. Since most of the firms have been in business for many years and supplies have principally originated in Washington and Oregon, most of the buyers, having visited that part of the United States, are familiar with grading rules and requirements. The average importer or mill purchases parcels varying from 100,000 to 500,000 feet, which the local merchants usually try to group together. The advantage accruing to a merchant firm with a close steamship connection is apparent.

A complete list of the more important lumber merchants, importers, agents and operators of saw-mills who regularly purchase lumber in Peru may be obtained on application to the Department of Trade and Commerce, Ottawa.

IMPORTS

The following table shows imports into Peru in 1938 from principal countries of origin of ordinary merchantable lumber, principally Oregon pine and Douglas fir but including white, yellow, pitch, and coloured pine, deal, laurel, poplar, Pellin oak and similar wood, sawn into boards, planks, beams, etc.; the duty on this item is 0.05 sol per square metre (10.764 square feet) on the basis of a thickness of $25\frac{4}{10}$ mm.:—

Imports of Merchantable Lumber

	Sq. Metres	Soles
Total.	5,208,377	5,346,788
Canada	687,226	640,209
Chile	196,696	253,778
Ecuador	1,520	2,945
United States	4,307,694	4,413,167
Nicaragua	538	529
Yugoslavia	14,329	35,798

Imports of the above item, planed, grooved and tongued or worked in any form, were as follows, the duty being 0.18 sol per square metre on the same basis of assessment:—

	Sq. Metres	Soles
Total	71,122	169,831
Canada	27,483	44,586
Chile	470	987
United States	43,158	124,221

MISCELLANEOUS WOODS

Imports in 1938 of miscellaneous woods (lunes, lumillas, mangles, and trunks of common wood, unworked, for posts and props) were as follows; the rate of duty is 0.01 sol per kilo (2.2 pounds) gross weight:—

	Kilos Gross	Soles
Total	724,480	60,958
Germany	38,500	6,672
Cuba	1,670	402
Chile	50,212	3,778
Ecuador	87,702	1,657
United States	545,688	48,386

CEDAR AND MAHOGANY

Imports in 1938 of cedar and mahogany in logs were as follows; the rate of duty on this item is 0.02 sol per kilo gross weight.

	Kilos Gross	Soles
Total	3,036,200	220,260
Costa Rica	1,231,154	69,261
Cuba	72,265	4,645
El Salvador	41,619	1,742
United States	5,924	1,409
Honduras	320,000	32,508
Nicaragua	1,365,238	110,695

RAILWAY SLEEPERS

The market for railway sleepers is almost entirely confined to purchases by the Cerro de Pasco Railway Company and the Peruvian Corporation Ltd. As has been indicated above, purchases for the former organization are effected through the head office of that firm in New York City, and up to the present have consisted almost entirely of California redwood. The Peruvian Corporation Ltd. ordinarily purchases some 60,000 to 75,000 sleepers annually. Until the past year or two they too consistently bought California redwood but latterly have been purchasing Chilean oak sleepers at a price with which northern woods could not compete. A recent quotation for Chilean oak sleepers received at Lima was U.S.\$1.02 c.i.f. Callao, Peru. In view of the construction of the port of Matarani, to replace the port of Mollendo, it will be necessary to connect Matarani with the main line running to Arequipa, Peru, and thence to La Paz, Bolivia. This will require the building of some sixty-five kilometres of new track. Three routes have been surveyed, but a final decision is yet to be made, and the date for beginning the work has not been announced.

IMPORTS

Sleepers of all kinds for railways enter duty free; imports in 1938 were as follows:—

	Number	Soles
Total	161,593	832,651
Canada	1,000	15,810
Chile	87,113	229,430
Ecuador	697	1,297
United States	72,754	585,824
Nicaragua	16	231

BOX SHOOKS

There is a fairly large market in Peru for box shooks, some 8,916 metric tons having been imported in 1938. Imports were principally through the port of Talara, amounting to 8,704 metric tons. Latterly Chile has been making an effort to enter the market, although Canada still obtains a fairly important share.

IMPORTS

The following table shows the imports of large and small boards, also framing of common wood, plain, prepared for cases (box shooks), whether or not poked or planed, including unassembled packing cases:—

	Kilos Gross	Soles
Total	8,916,564	1,593,718
Canada	4,072,656	848,799
Chile	3,554,725	494,594
United States	1,288,851	250,277

PLYWOOD

The plywood market in Peru is steadily growing, over 470 metric tons of this product having been imported in 1938. It is principally sold through lumber firms and those dealing in contractors' supplies. The bulk of the imports are consumed in the Callao-Lima area, all but 20 tons being imported at Callao. This trade lends itself to agency representation, and interested Canadian firms are requested to communicate with the Canadian Trade Commissioner at Lima. Germany formerly obtained the largest share of this business and, owing to the elimination of supplies from that source, as well as irregularity of shipments from other European countries, an opportunity is afforded Canadian exporters of entering the market.

IMPORTS

Imports in 1938 of plywood panels, made of common wood, glued or not, were as follows; the rate of duty on this item is 0·10 sol per kilo gross weight:—

	Kilos Gross	Soles
Total	470,196	325,206
Germany	171,631	150,119
Belgium	7,007	7,629
Czecho-Slovakia	760	925
United States	98,753	51,252
Finland	5,214	2,587
France	7,723	7,723
Netherlands	1,656	1,376
Japan	22,446	11,441
Norway	38,807	19,504
Poland	91,364	58,459
Sweden	24,835	14,191

PITPROPS

The Peruvian market for pitprops is small, local supplies of eucalyptus being used. Some purchases are made by the Cerro de Pasco Copper Corporation, but most of their requirements are for timbering supports, Douglas fir and Oregon pine being used for this purpose.

VENEERS

Imports of veneers for the furniture trade are small, and they are sold through the regular lumber channels. Imports of miscellaneous woods in sheets for veneering furniture were as follows in 1938; the rate of duty on this item is 0·50 sol per kilo gross weight:—

	Kilos Gross	Soles
Total	8,755	34,269
Germany	1,591	4,634
Canada	1,647	1,059
France	563	853
Finland	177	1,140
Italy	4,777	26,583

CANADIAN PRODUCTS IN DEMAND IN FRENCH INDO-CHINA*

P. V. McLANE, CANADIAN TRADE COMMISSIONER

Hongkong, April 26, 1940.—French Indo-China comprises five states: the Colony of Cochin China, the Protectorates of Annam, Cambodia, Tonkin, and Laos; and the leased territory of Kwong-Chow-Wan. It is bounded on the north by China, on the east and south by the China Sea, and on the west by Thailand (Siam) and Burma.

Cochin China is the most prosperous province due to the fertility of its soil, good lines of communication, and its commercial importance. Saigon, the capital, is one of the principal rice export centres of the world. About two and a half miles from Saigon is the Chinese commercial city of Cholon.

Tonkin is second in commercial importance. It has the greatest population density. Hanoi, on the air route between Europe, Saigon, and Hongkong, is the capital of French Indo-China. It is connected by rail with Yunnanfu and Lungchow, in the Chinese Provinces of Yunnan and Kwangsi, and with Haiphong, the principal port of Tonkin. A large transhipment business to China has been developed through Haiphong in recent years. Other harbours in Tonkin are Hongay, the coal centre, and Campha.

Laos and Cambodia, which are traversed by the Mekong River and its tributaries, are the rich hinterlands of Saigon. They are sparsely populated, and have no harbour and few transportation facilities.

Annam lies along the China Sea and has several good harbours at Tourane, Umh-Ben-Thuy, Matane, Cam-Renth, and Guin-Hon. The railway connecting Saigon and Hanoi passes through the territory, as well as the Mandarin Road, a high-grade motor road which more or less parallels the railway. This province is important for its agricultural products, and as a cattle-raising area.

GOVERNMENT

French Indo-China is under the administration of a Governor General, assisted by a Secretary-General. Each of the states, with the exception of Cochin China, has as its head a Resident Superior. Cochin China, being a French colony, has a Governor. The seat of the Government is in Hanoi, except for a few months in the summer when it is moved to Saigon.

CLIMATE

French Indo-China is subject to two monsoons, the northeast in summer and the northwest in winter. As a result, it is warm and damp, with heavy rainfall. Hanoi has a maximum temperature of 42·8° C. and a minimum of 5·6° C.; Saigon, in the south, has a minimum temperature of 17·7° C. and a maximum of 40° C. The rainy season is from May to October, when the precipitation varies from 212 mm. to 345 mm. per month, except in Hue, about midway between Hanoi and Saigon, where the rainfall in October and November is in excess of 700 mm. per month.

AREA AND POPULATION

French Indo-China has an area of 285,800 square miles, with an estimated population in excess of 22,000,000—7·5 million in Tonkin, 5·5 million in Annam, 4 million in Cochin China, 2·5 million in Cambodia, and 850,000 in Laos. Exclusive of military forces, there are some 30,000 French, 3,600 other Europeans, and over 400,000 Chinese.

*This report is based on an investigation of the market possibilities for Canadian products in French Indo-China conducted by the Trade Commissioner during his recent visit to that colony.

PRODUCTION AND INDUSTRY

The most important agricultural product of French Indo-China is rice, of which there is a large exportable surplus. Other important items are: corn, pepper, rubber, copra, coffee, tea, peanuts, beans, cinnamon, sugar, cotton, castor seeds, and castor oil. Zinc, tin, lead, and coal are mined in considerable quantities. Coal is particularly important. Secondary industries are not well developed, although a start has been made. Cement, glassware, beer, piece-goods, silk goods, soap, matches, and leather are manufactured, and there is a large number of rice mills.

BANKING HOUSES

The Bank of Indo-China, with a monopoly of note issue, has branches in all the leading centres. There are also branches of two British banks, the Hongkong and Shanghai Banking Corporation, and the Chartered Bank of India, Australia and China. In addition, there is the Bank of East Asia, and the Banque de Saigon.

CURRENCY

The unit of currency used in French Indo-China is the piastre, which is equivalent to 10 francs. The piastre is divided into 100 cents. The notes of the Bank of Indo-China are the principal medium of exchange. These, besides being issued in large denominations, are available in values of 50 cents, 20 cents, and 10 cents. Very few silver or copper coins are in circulation.

BUSINESS HOUSES

There is a number of large and reliable French houses engaged in business in French Indo-China. In addition, there are a few British firms, as well as a number of Swiss, Danish, and other foreign organizations. The chief commercial language is French, although most of the large houses carry on correspondence in English.

TRANSPORTATION

Within the country there are adequate transportation facilities by railway, road, and coastal boats. At present there are no direct steamship services between Canada and French Indo-China. In order to receive favourable customs treatment, transshipments must be made at Hongkong and Singapore. A number of well-known shipping lines operate between Vancouver and Hongkong, and there are occasional sailings to Hongkong from the east coast of Canada.

QUOTATIONS AND TERMS

Where possible, quotations should be c.i.f. Saigon, or Haiphong, preferably in sterling, which is more readily available than other foreign currencies.

Some of the larger French houses prefer to pay for their goods on a D/P basis on arrival in Saigon or Haiphong, through the Bank of Indo-China, although they are usually prepared to open letters of credit if requested. For initial business a letter of credit basis is the most satisfactory for Canadian exporters.

TARIFF DUTIES AND DOCUMENTATION

The customs tariff in French Indo-China is, in the main, the same as the tariff of France. Goods on which duties are not the same as in France are those which are considered as unobtainable from France or the other French colonies, and the rates on such goods are usually lower than in France. There is a general tariff and a minimum tariff which is, for most goods, one-quarter of the general tariff. There are also intermediate rates on some goods. Products of France and the French colonies enter free of duty.

Tariff relations between Canada and French Indo-China are governed by the trade agreement between Canada and France, signed May 12, 1933, and by supplementary arrangements which expanded the agreement to a certain extent. Under this agreement and its supplements Canada is accorded in French Indo-China the minimum tariff and most-favoured-nation treatment on goods covered by about 210 items or parts of items of the tariff on which similar treatment is accorded to Canada in France. Similarly for 24 items on which intermediate rates apply to Canadian goods in France, these rates are also accorded to Canada in French Indo-China.

Documents should be attached to the draft and should include invoices showing values, net and gross weights of packages, a certificate of origin, the usual marine insurance policy, war-risk insurance policy, and a certificate from the French Consulate covering transshipment, so as to indicate the origin of the goods. The certificate of origin must show the number, description, marks, and gross and net weights of the packages, the origin, value of the merchandise, and name of the shipper.

REPRESENTATION

All types of representation are available, but the most suitable arrangements to make must be determined by the types of goods involved, as well as by the general conditions prevailing.

TRADE OF FRENCH INDO-CHINA

(All values are in Canadian currency)

The total trade of French Indo-China, according to the figures compiled by the Government, totalled \$146,924,650 for the calendar year 1939 as compared with \$119,777,325 during the preceding year. Exports were valued at \$87,368,100 (\$71,095,925 in 1938) and imports at \$59,556,550 (\$48,681,400 in 1938), resulting in a favourable trade balance of \$27,811,550 as compared with \$22,414,525 for 1938.

EXPORTS

France was the principal buyer of Indo-China products with a total of \$28,169,000 as against \$33,757,000 in 1938. The other leading purchasers were the United States, \$10,453,900 (\$6,232,825 in 1938); Singapore, \$8,943,675 (\$6,930,800); Hongkong, \$7,705,400 (\$6,855,925); India, \$6,554,075 (\$130,975); China, \$4,274,575 (\$1,892,600); Japan, \$4,047,150 (\$2,190,025); Great Britain, \$3,276,075 (\$1,486,650); and the Philippines, \$1,895,200 (\$5,013,500). Canada purchased to the value of \$86,050 in 1939 as against \$39,450 in 1938. A certain amount of goods of French Indo-China origin, however, find their way to Canada indirectly through Hongkong.

As there has been little industrial development in French Indo-China, exports consist primarily of raw materials or semi-manufactured goods. Exports of rice were valued at \$34,647,050 in 1939 as compared with \$25,496,575 in the previous year. Principal buyers were France, India, Hongkong, and Singapore. Rubber is another large export item, shipments in 1939 being valued at \$23,892,325 as against \$15,518,225 in 1938. It was bought mostly by the United States, France, and Singapore. The next largest primary export was corn, with a value of \$8,620,300 (\$12,785,325 in 1938); it was shipped largely to France and Hongkong. Coal was exported chiefly to Japan, China, France, and Hongkong, the total for all countries amounting to \$3,797,000 (\$3,046,425). Exports of fish, dry, salted, and smoked, reached a value of \$1,918,950, and were purchased in the main by Hongkong and Singapore.

Other exports were as follows, with comparative figures for 1938 within parentheses: tin, \$1,293,250 (\$828,550), to Great Britain, France, Holland,

Hongkong, and the United States; tin ore, \$998,550 (\$1,005,175), to Singapore; cement, \$914,100 (\$631,950), to China, Singapore, and Hongkong; eggs, fresh, \$572,775 (\$399,150), to Singapore and Hongkong; black tea, \$564,350 (\$482,675), half to France, and the remainder chiefly to Great Britain, Singapore, and Algeria; copra, \$412,425 (\$428,375), to France; and gold, \$293,550 (\$716,225) to France. In smaller amounts, French Indo-China also exported cinnamon, buffalo hides, feathers, coffee, sugar, wood oil, teak, charcoal, zinc, iron ore, wolfram, Chinese matting, and pepper. At present exports are under government control, and a number of products are subject to an export permit.

IMPORTS

Generally speaking, industry is not dependent on the importation of raw or semi-manufactured goods, nor is the purchasing power of the natives sufficiently high to enable them to purchase large amounts of foreign manufactures. Possibly five to ten per cent of the natives use imported goods, the bulk of which consists of cheap cotton textiles. The principal general demand is for consumer goods and construction material. In 1939 imports were valued at \$59,556,550 as compared with \$48,681,400 in 1938. France was the main source of supply, being credited in the returns with a trade valued at \$33,341,350 in 1939 as compared with \$25,448,200 in 1938. This total was far in excess of combined imports from all other sources.

In order of importance, other suppliers in 1939 were as follows: Hongkong, \$4,162,875 (\$3,585,725 in 1938); India, \$3,007,850 (\$1,385,725); China, \$2,656,425 (\$3,574,650); Netherlands East Indies, \$2,613,000 (\$2,113,925); United States, \$2,484,100 (\$2,446,575); and Great Britain, \$1,683,850 (\$1,560,825). Several European countries participated to a small extent. Canada was credited with a total of \$6,500 (\$13,950 in 1938). Some transshipment business in Canadian goods has also been done through Hongkong.

A fairly diversified range of commodities is imported into French Indo-China; for the purpose of this report, however, a complete list is not necessary. A large number of inquiries have been received for goods of Canadian origin. In the following notes, data are given for those items for which specific inquiries have been received or for which it is considered that a market could be developed if they can be supplied from Canada. In view of the trading conditions prevailing throughout the world and the import control regulations in force in the colony, a great deal of effort will have to be expended before any worthwhile results may be expected. Importers are well disposed towards Canada as a source of supply and, despite difficulties, the present should prove an opportune time to obtain a foothold in the territory.

NOTES ON PRINCIPAL IMPORTS

Following are notes on the principal commodities imported into French Indo-China in 1939, comparative figures for 1938 being shown within parentheses:—

Ham.—Imports in 1939, chiefly from Hongkong and Great Britain, were valued at \$24,425 (\$21,425).

Ham, Canned.—Purchases were valued at \$34,825 (\$20,625), and originated chiefly in France, Denmark, and Holland.

Powdered Milk.—Supplies are obtained principally from Hongkong and France, with smaller amounts from Canada; imports were valued at \$10,800 (\$8,525).

Butter, Fresh.—This item came from Hongkong and Singapore—probably transshipments—to the value of \$113,850 (\$91,575).

Butter, Salted.—Imports, totalling \$134,500 (\$90,125), are credited to France.

Honey.—Imports are credited to France, Hongkong, and the United States, and totalled \$2,750 (\$2,600). A clear type of honey, with the honeycomb in the centre of the bottle, is favoured.

Flour.—Purchases amounted to \$965,300 (\$990,100). Prior to the outbreak of war France obtained 90 per cent of the trade, the remainder being shared by Hongkong and Australia. Supplies of semolina flour are at present running short and Canadian supplies are in demand.

Malt.—In 1939 imports were valued at \$155,950, of which France supplied 50 per cent and Czecho-Slovakia and Belgium the remainder. Canadian offers have been requested.

Fruits, Canned.—Hongkong, the United States, and France, were the chief suppliers. Imports were valued at \$14,950 (\$16,850). Competition is still very keen, but there have been recent requests for information on Canadian supplies.

Biscuits, Fancy.—Imports, valued at \$55,400 in 1939 (\$49,950), came from France, Hongkong, Great Britain, and Belgium. These products in time will no doubt be classified as luxuries, and importation will be restricted.

Condensed Milk, Sweetened.—A number of requests have recently been received for Canadian supplies of sweetened condensed milk. Suppliers are Holland, Switzerland, and France. Imports were valued at \$780,250 in 1939.

Jams, Marmalades, etc.—A number of inquiries have recently been received for Canadian jams. Imports were valued at \$25,100 (\$26,575), and came chiefly from France, the United States, and Hongkong.

Canned Vegetables.—The chief demand is for canned tomatoes, imports of which were valued at \$27,300 in 1939; peas, beans, and carrots, valued at \$29,625; and asparagus, valued at \$17,900. Main suppliers were France, the United States, Belgium, and Hongkong. There have been inquiries for Canadian canned vegetables of all kinds, particularly asparagus and small peas.

Mushrooms.—These are obtained in Hongkong and China, purchases being valued at \$23,750 in 1939.

Aluminium Foils.—Imports, valued at \$18,975 in 1939, were from France.

Steel and Iron Bars.—Purchases were valued at \$1,072,350 in 1939 (\$790,675). About 90 per cent of the business went to France, and the remainder to Hongkong and the United States. Inquiries were recently received for Canadian supplies of mild steel bars, plates, sheets, and spring steel for automobile springs. In future imports will be principally for government account. Although recent quotations from the United States were below Canadian prices, Canadian offers have been requested by several importers.

Iron and Steel Machinery.—Imports totalling \$418,850 in 1939 (\$213,175), came chiefly from France and Great Britain.

Copper Wire.—Imports, obtained principally from France, were valued at \$46,800 in 1939. There is now an opportunity for sales of the Canadian product.

Zinc Sheets.—Purchases, valued at \$167,375 (\$91,500), were from France and Belgium. Inquiries have been received for Canadian galvanized sheets and corrugated roofing material.

Nitric Acid.—France supplied this product to the value of \$2,425 in 1939 (\$1,600). In the event that supplies are difficult to obtain in the future, the market will be open to Canadian firms.

Sulphate of Ammonia.—Imports were valued at \$161,875 in 1939 (\$59,175). They were drawn chiefly from France, Hongkong, and Japan.

Carbonate and Bicarbonate of Ammonia.—Imports, valued at \$3,050 (\$3,150) were from France, Great Britain, and Hongkong.

Calcium Carbide.—Imports totalling \$137,550 in value in 1939, were credited to France. Importers are open for Canadian offers.

Sulphuric Acid.—Imports in 1939 were valued at \$13,850 and came from France.

Chrome Alum.—Imports, which came chiefly from France and Germany, were valued at \$5,950 in 1939.

Caustic Soda.—Imports were valued at \$84,525 in 1939, France, Great Britain, and Hongkong being the principal shippers.

Formic Acid.—Purchases, amounting to \$70,350 in 1939, were supplied by France.

Borax, Refined.—Supplies were obtained from Hongkong and France to a total of \$17,900 in 1939 (\$16,000).

Carbonate of Soda.—Supplies were purchased from France to the value of \$4,000 in 1939. Canadian offers have been requested.

Paper Products.—Imports of all types totalled \$1,925,050 in value in 1939 (\$1,778,025), about 80 per cent originating in France. Other suppliers were China, Hongkong, and Great Britain. There is a shortage of paper at present, and a number of inquiries have been received for Canadian newsprint and various other types of paper.

Leather and Leather Goods.—In the past France has supplied practically all the colony's requirements in leather and leather goods. Purchases were valued at \$394,550 in 1939. At present there are possibilities for the sale of sole leather of medium price, and "bellies" and "shoulders" of ordinary quality. Cheap box calf and patent leathers are also saleable.

Nails.—Imports were valued at \$24,150 in 1939, and came from France. Importers would be pleased to receive samples and quotations from Canadian suppliers.

Automobiles and Trucks.—France supplies nearly 80 per cent of the colony's purchases, which totalled \$1,204,850 in 1939. This situation will no doubt change in the future. Canada's share of the business will depend on the policy of the large automobile manufacturers in Canada and the reaction of the French Indo-China Government authorities to present quotas and United States dollar quotations.

Cables, Iron and Steel.—The value of imports, principally from France, totalled \$46,300 in 1939 (\$50,125). New sources of supply will no doubt have to be found in the near future.

Cables, Electric.—France was the chief supplier, with imports valued at \$293,200 in 1939. Considerable interest has been expressed in Canadian supplies.

Chlorate of Potash.—This item was imported from France, and importers are looking for other sources of supply. Purchases amounted to \$31,225 in 1939 (\$22,800).

Asphalt.—Supplies have been imported from France and Japan, but importers are interested in obtaining new sources. Purchases were valued at \$1,775 in 1939 (\$5,475).

Lead in Bars.—Imports were valued at \$12,225 in 1939, and came from France, Hongkong, Great Britain, and China.

Canned Fish.—Purchases were valued at \$66,975 in 1939 (\$74,025), the chief suppliers being France, United States, Siam, and Hongkong. Items of interest to Canada are canned salmon and canned pilchards. The latter are for native consumption only, and must be cheap. Only pilchards in tomato sauce are saleable, and labels on the tins must picture a tomato and a fish.

Cotton Hose, Men's.—French supplies take care of the demand, which amounted to \$4,425 in 1939. An inquiry was received for Canadian cotton hose, half and ankle length, plain white and coloured.

Hops.—Czecho-Slovakia, Belgium, and Germany were the chief suppliers in 1939, with imports valued at \$24,175.

Paints and Varnishes, Mixed.—Imports were valued at \$102,950 in 1939 (\$106,000). France obtained 85 per cent of the business, the remainder going to Great Britain and the United States. There is a market for Canadian paints and varnishes particularly lead and zinc ground in oil.

Machinery, Metal Working Lathes, Drills, etc.—Purchases amounted to \$149,975 in 1939 (\$99,625). Over 90 per cent of the imports came from France and the remainder from Germany. Lathes and drills suitable for general machine shops and automobile repair shops are in good demand, and Canadian supplies are wanted.

Asbestos Manufactures.—Over 90 per cent of these imports are from France, the remainder coming from Great Britain and the United States. The total value was \$25,175 in 1939 (\$21,725).

Cutlery.—Imports were valued at \$22,325 in 1939 (\$29,200). France was the chief source of supply. An inquiry has been received for cheap cutlery.

Typewriters.—Imports, which come principally from the United States and France, were valued at \$55,750 in 1939 (\$48,150). Offers from Canadian manufacturers have been requested.

Printing Ink.—France has controlled the bulk of this business, imports being valued at \$45,425 in 1939 (\$29,200).

Writing Ink.—Purchases amounted to \$23,700 in 1939 (\$20,375). About 80 per cent was from France and the remainder from Hongkong and China.

Lanterns.—In 1939 imports were valued at \$53,225, about 50 per cent coming from France, the remainder principally from Germany and the United States. One importer has expressed interest in hunters' lanterns.

Cartridges and Shells.—Imports amounted to \$23,350 in 1939 (\$18,725). Supplies were obtained mainly from France, Belgium, and the United States. There is a request for information on Canadian supplies of cartridges for double-barrelled shotguns, automatic shotguns, and rifles, such as Winchester and Remington.

Cork Products.—Purchases were valued at \$12,250 in 1939, principally from France. Cork or imitation cork suitable for manufacture into sun helmets is in good demand.

Chocolate.—This item chiefly comprises unsweetened chocolate. The bulk of the imports are from France and the remainder mainly from Belgium and Great Britain. Imports were valued at \$52,625 in 1939 (\$43,350).

Prunes.—Imports were valued at \$6,550 in 1939 (\$9,600). Principal suppliers were the United States, France, and Hongkong.

Glycerine.—Imports, chiefly from France, were valued at \$7,700 in 1939 (\$5,275). Canadian participation may be possible if supplies are available.

Additional items for which specific inquiries have been received include: plumbing supplies and bathroom fixtures, shoe tacks, bolts and nuts, screws, galvanized wire, barbed wire, iodine, paper bags for cement and salt, soap, coal tar, truck tires, linseed oil, tin plate, plain zinc sheets, cyanide, disinfectants, soda ash, oak tanning materials, formic acid, potassium bicarbonate, old newspapers (in French language), tennis balls, caffeine, salicylic acid, and cod liver oil.

Canadian firms interested in marketing any of the above items in French Indo-China are requested to send full particulars to the Canadian Trade Commissioner in Hongkong. C.i.f. prices in sterling are preferable. Fluctuations in freight rates, and war-risk insurance will be for the buyers' account. It may prove difficult for Canadian firms to quote on this basis, in which case f.o.b. prices should be submitted together with full particulars regarding packing, size, and weight of packages and so forth, so that an approximate c.i.f. price can be worked out. Prices are changing rapidly, so that an indication should be given as to the length of time the prices may be expected to hold good. In addition to the above, catalogues, descriptive literature, and samples, where possible, should be submitted. On receipt of such particulars from Canadian firms, thorough investigations will be carried out and detailed reports provided.

FOREIGN TRADE OF CHINA IN 1939

V. E. DUCLOS, CANADIAN TRADE COMMISSIONER

I

NOTE.—In view of the complexities of the present Chinese monetary system, it has been considered advisable, where possible, to convert the values in this report into United States dollars for easier comparison. Owing to the continued depreciation in the foreign exchange value of the Chinese dollar during 1939, it has been necessary to base these conversions on the average rate for each year, and the resultant figures are therefore only approximate. United States dollar values have been shown instead of Canadian because the absence of Canadian banks in China makes it difficult to obtain official daily rates for Canadian funds from which to arrive at an average rate for the year. The method adopted in this report has been to convert the customs gold unit values of imports into United States dollars at the average rate quoted by the Chinese Maritime Customs; the Chinese standard dollar values for exports have been converted into the same currency at the average open market rate for each year. The following exchange values have been used as a basis for conversions:—

<i>Chinese Dollar</i>	<i>Chinese Customs Gold Unit</i>
Official customs rate. U.S.\$0.30	Average rate, 1937. U.S.\$0.66½
Average market rate, 1937. U.S.\$0.29	Average rate, 1938. U.S.\$0.68
Average market rate, 1938. U.S.\$0.21	Average rate, 1939. U.S.\$0.75
Average market rate, 1939. U.S.\$0.11	

1937: 1 customs gold unit=Chinese \$2.27

1938: 1 customs gold unit=Chinese \$2.30

1939: 1 customs gold unit=Chinese \$2.50

Shanghai, April 24, 1940.—The annual report of the Chinese Maritime Customs, which has just been released, not only illustrates China's remarkable powers of economic recovery despite the devastating effects of the Sino-Japanese hostilities but also reveals interesting trends in trade, both as regards ports of entry and countries of origin, caused by the conflict. A striking indication of the improvement in China's economic position is provided by the customs' receipts, which amounted to Chinese \$331 million in 1939 as compared with \$255 million in 1938, an increase of 30 per cent. This is all the more remarkable when it is realized that the collection for 1939 not only exceeded the total collected in 1936 (the last complete year preceding the Sino-Japanese hostilities) but came within measurable approach of the figure of \$343 million for 1937, which was the highest total recorded since the receipts of the customs houses in

Manchuria ceased to be included in the total collections. The port of Shanghai, with a total collection of Chinese \$167 million, contributed 50.34 per cent of the entire revenue as compared with 33.36 per cent for 1938, followed in order of importance by the ports of Tientsin, Tsingtao and Swatow, with collections amounting to 20.40 per cent, 8.59 per cent and 2.45 per cent respectively of the total revenue for the year.

CHINA'S ADVERSE BALANCE OF TRADE

Despite the efforts made in recent years to reduce China's large adverse balance of trade, imports once again substantially exceeded exports during 1939. This adverse balance of trade was due in part to China's abnormal purchases of raw cotton and wheat, rendered necessary by the shortage of domestic supplies brought about by the war. The appended comparative table shows the net values of China's imports and exports for the past five years and the excess of imports in each year. Owing to the somewhat confusing method adopted by the Chinese Maritime Customs of assessing imports in customs gold units calculated on the basis of Chinese standard dollars taken at the official exchange rate of Chinese \$1=U.S.\$0.30, whereas export returns are shown in open market rate dollars (which averaged U.S.\$0.11 during 1939), it has been considered advisable to convert these values into United States currency at the average rate for each year in order to afford easy comparisons:—

Statistical Summary of China's Trade

	1935	1936	1937	1938	1939
	Millions of U.S. Dollars				
Imports	\$276	\$278	\$278	\$262	\$354
Exports	208	208	245	160	113
Total	484	486	523	422	467
Excess of imports	68	70	33	102	241

IMPORTS AND EXPORTS BY PRINCIPAL PORTS

The appended tables, showing in order of importance the ten ports which handled more than one per cent of the total trade in 1939, and, for comparative purposes, their positions in 1937 and 1938, graphically illustrate the effects which the Sino-Japanese hostilities have had upon the normal channels of the foreign trade of China. It will be noted that certain ports, such as Lungchow, Lappa, and Luichow, normally unimportant coastal or river towns in Southwest China, rose to some prominence in the 1939 customs returns as they are "Free China" ports and constitute almost the only channels still open for direct imports into that part of the country remaining under the control of the Chinese Government. It is estimated that the value of gross imports into ports in Japanese-occupied areas was approximately U.S.\$357.8 million (477 million g.u.), while that of imports into "Free China" ports totalled only U.S.\$49 million (66 million g.u.) during 1939.

China's Imports by Principal Ports in Millions of Chinese Dollars

	\$	1939 Rank	%	\$	1938 Rank	%	\$	1937 Rank	%
Total imports	1,343	..	100.00	893	..	100.00	953	..	100.00
Shanghai	588	1	43.79	275	1	30.77	511	1	53.42
Tientsin	345	2	25.66	234	2	26.17	84	2	8.79
Tsingtao	121	3	9.01	47	5	5.26	50	3	5.21
Chinwangtao	72	4	5.39	24	7	2.66	4	20	0.39
*Lungchow	36	5	2.71	0.27	27	0.03	0.8	35	0.01
Swatow	33	6	2.49	36	6	4.10	36	6	3.80
Chefoo	28	7	2.09	13	8	1.50	6	15	0.61
*Lappa	27	8	1.98	4	13	0.41	4	19	0.42
*Mengtsz	22	9	1.63	11	9	1.28	10	9	1.01
*Luichow	16	10	1.17	4	12	0.42	1	26	0.14

China's Exports by Principal Ports in Millions of Chinese Dollars

	\$	1939 Rank	%	\$	1938 Rank	%	\$	1937 Rank	%
Total exports	1,030	..	100.00	763	..	100.00	838	..	100.00
Shanghai	595	1	57.72	223	1	29.20	405	1	48.27
Tientsin	96	2	9.28	176	2	23.05	129	2	15.36
*Lungchow	58	3	5.59	0.4	34	0.05	0.3	26	0.04
Tsingtao	56	4	5.44	31	6	4.12	58	4	6.92
Chinwangtao	36	5	3.53	29	8	3.76	11	10	1.36
*Mengtsz	35	6	3.39	41	4	5.33	34	5	4.08
Swatow	34	7	3.32	37	5	4.92	34	6	4.00
*Lappa	20	8	1.95	7	11	0.92	4	15	0.44
*Pakhoi	17	9	1.66	3	20	0.33	2	20	0.19
*Wenchow	12	10	1.14	6	12	0.82	0.5	24	0.06

* "Free China" ports.

It will be noted that no less than 78.46 per cent of the total import trade of China entered at three ports only, viz., Shanghai, 43.79 per cent; Tientsin, 25.66 per cent; and Tsingtao, 9.01 per cent. The trade of the southern ports of Canton and Kowloon, which in normal times usually ranked third or fourth in importance, became negligible after the occupation of Canton by the Japanese in November, 1938, and the consequent closure of the Pearl River to foreign navigation. Swatow, although still ranking sixth, would not have retained this position had it not been for the diversion of imports from Canton to Swatow during the first half of the year, and after the capture of Swatow by the Japanese in July, 1939, only a small quantity of goods entered that port. Owing to the continued closure of the Yangtsze river to Third Power shipping, the former large river ports of Hankow and Nanking received no direct imports and were dependent on supplies sent overland by rail and creek from Shanghai.

Imports into Tientsin increased by 38 per cent during the year under review, despite the severe floods and other adverse trading conditions in that area. As might be expected, just over half of the total imports were from Japan, but imports from British Empire countries also showed an increase and accounted for nearly 19 per cent of the total imports. Rice, wheat, wheat flour, lumber, paper, gasoline, and raw cotton constituted the principal commodities imported into the northern territory.

SHANGHAI'S IMPORT TRADE

A strong revival of import trade was evident at Shanghai during the year, imports being valued at U.S.\$176.7 million (238,832,000 g.u.) as compared with \$80.8 million (118,900,000 g.u.) in 1938 and \$163.9 million (244,732,000 g.u.) in 1936 (the last full year of peace). This improvement is largely due to increases in the import of raw cotton, valued at U.S.\$44 million (58.7 million g.u.) and of cereals, principally wheat, valued at U.S.\$9.3 million (12.4 million g.u.). Advances were also shown in the importation of metals and ores, chemicals and pharmaceuticals, oils, tobacco, and paper. Imports from British Empire countries accounted for one-third of the entire volume entering Shanghai, although the United States retained first place among individual countries shipping to this port.

CHINA'S TRADE WITH PRINCIPAL COUNTRIES

Imports from Japan into China proper have more than doubled in value since 1936, and she is now easily the largest supplier, her total shipments to China in 1939 being valued at U.S.\$94.9 million (126.6 million g.u.). The United States came next in importance, accounting for U.S.\$64.7 million (86.3 million g.u.) or 15.94 per cent of total imports. Germany ranked fourth, although her shipments to China showed a large decrease from U.S.\$33.6 million (49.4 million g.u.) or 12.64 per cent in 1938 to U.S.\$26.7 million (35.5 million

g.u.) or 6.49 per cent in 1939. Great Britain's import trade with this country, although showing an increase in value from U.S.\$21 million (30.8 million g.u.) in 1938 to U.S.\$23.5 million (31 million g.u.) in 1939, showed a decrease on a percentage basis from 7.90 per cent to 5.80 per cent. The figures for these four principal supplying countries since 1936 are as follows, values being shown in millions of United States dollars:—

	Japan		United States		Germany		Great Britain	
	Million		Million		Million		Million	
	U.S.\$	Per Cent	U.S.\$	Per Cent	U.S.\$	Per Cent	U.S.\$	Per Cent
1936	45.5	16.26	55.0	19.64	44.5	15.91	32.8	11.70
1937	43.9	15.73	55.2	19.75	42.8	15.31	32.7	11.68
1938	61.5	23.49	44.9	16.93	33.6	12.64	21.0	7.90
1939	94.9	23.34	64.7	15.94	26.7	6.49	23.5	5.80

Twenty countries bought more from China than they sold to her, although in most cases the balance was small. Chief among these countries were the United States, Great Britain, France, Hongkong, the Straits Settlements, Denmark, and French Indo-China. China imported goods from Canada to the value of U.S.\$3.2 million and exported Chinese produce to the Dominion to the extent of U.S.\$1.1 million. Japan, British India, Germany, Australia, and Formosa were the principal countries whose sales to China exceeded their purchases. The excess of imports was highest in the case of British India, with which China had an adverse balance of U.S.\$9.8 million owing to unusually large imports of raw cotton, followed by Japan, imports from which exceeded exports thereto by U.S.\$6.6 million.

The appended table shows in millions of Chinese Customs gold units the total imports from the twelve principal supplying countries in 1939, with the statistics for the two preceding years shown for comparative purposes. Canada ranked fourteenth, her shares of the imports into China during the last three years being also shown. Abnormal imports of cotton from Brazil and of sugar, tea and rice from Formosa, necessitated by the shortage of domestic crops, brought those two countries into unusual prominence in the customs returns, in which they ranked ninth and tenth respectively, although in normal periods their shipments to China are negligible.

China's Imports by Principal Supplying Countries.

	1939			1938			1937		
	Million G.U.	Rank	Per Cent	Million G.U.	Rank	Per Cent	Million G.U.	Rank	Per Cent
Total imports	543	..	100.00	389	..	100.00	421	..	100.00
Japan	127	1	23.34	90	1	23.49	66	2	15.73
United States	86	2	15.94	66	2	16.93	83	1	19.75
British India, incl. Burma	52	3	9.37	13	6	3.25	9	8	2.16
Germany	36	4	6.49	49	3	12.64	64	3	15.31
Great Britain	31	5	5.80	31	4	7.90	49	4	11.68
Australia	28	6	5.11	12	7	3.14	7	11	1.71
Netherlands East Indies	24	7	4.35	20	5	5.12	35	5	8.44
Brazil	15	8	2.85	1	24	0.30	Not listed separately		
Hongkong	14	9	2.64	11	10	2.75	8	9	2.00
Formosa	12	10	2.13	1	25	0.26	2	25	0.38
French Indo-China	12	11	2.12	12	8	3.06	13	6	3.14
Thailand (Siam)	9	12	1.56	11	9	2.79	7	12	1.66
Canada	4	14	0.78	3	15	0.88	8	10	1.79

TRADE WITH JAPAN

Substantial increases were shown in every group of imports from Japan with the exception of cereals and flour, wool, and woollen manufactures, and grey cotton piece-goods. The principal increases recorded in imports from Japan were as follows: paper, etc., an increase of 7 million g.u.; oils, candles, etc., 5.1

million g.u.; chemicals and pharmaceuticals, 5 million g.u.; sugar, 4.7 million g.u.; dyes, pigments, paints and varnishes, 3.2 million g.u.; fishery and sea products, 2.3 million g.u.; and timber, 2.2 million g.u. Japan's trade was confined almost entirely to Shanghai and the northern ports, 50 per cent of the total entering at Tientsin, 25 per cent at Shanghai and 20 per cent at Tsingtao.

Although exports of certain staple products, such as coal and cereals, from China to Japan increased considerably, all non-essential commodities showed large decreases, and the total dropped from U.S.\$24.5 million in 1938 to U.S.\$7.3 million in 1939.

TRADE WITH THE UNITED STATES

Imports from the United States, which had fallen away in 1938, made a strong recovery and were valued at U.S.\$64.5 million in 1939 as compared with U.S.\$44.8 million in the preceding year. The principal increases in values of imports from the United States were recorded for the following: raw cotton, an increase of 10 million g.u.; wheat flour, 9.4 million g.u.; wheat, 5 million g.u.; vehicles and vessels, 2.4 million g.u.; and tobacco 1 million g.u.

Exports to the United States, which had declined in 1938, recovered to the peace-time level and were valued at U.S.\$24.9 million as compared with 18.3 million in the previous year. The United States was China's best customer, taking 21.92 per cent of her total exports. Important items which showed increases in shipments to the United States were: animal products (mainly bristles, human hair, and pig intestines); hides, leather and skins; silk, yarn, thread and knitted goods; ores, metals and metal products; and chemicals. Exports of wood-oil and tea, while still very large, fell below the amounts shipped in 1938, probably owing to the difficulty in getting supplies out of Szechwan Province and the Yangtze Valley.

TRADE WITH GERMANY

China's trade with Germany decreased both in imports and exports in 1939, the former falling from U.S.\$33.6 million in 1938 to U.S.\$26.7 million, and the latter dropping from U.S.\$11.8 million to U.S.\$5 million. The decline was general in all import lines from Germany but was particularly noticeable in the case of metals and ores, machinery and tools, vehicles and vessels, paper and wood-pulp, and miscellaneous metal manufactures. The only two classifications which showed slight increases were sulphate of ammonia and dyes, pigments, paints and varnishes. There was also a general falling-off in exports, although shipments of dried egg-yolk, pig intestines, groundnut oil, and shelled ground-nuts increased. More than half of the total exports to Germany came under the heading of animal products, while other prominent items were textile fibres (mainly silk cocoons, fly and waste cotton) which, however, decreased to less than half of the previous year's figures.

TRADE WITH THE BRITISH EMPIRE

The value of total imports from British Empire countries rose from U.S.\$51.7 million (76 million g.u.) in 1938 to U.S.\$105.7 million (141 million g.u.) in 1939, and amounted to over 25 per cent of total imports. Two countries and two commodities were responsible for practically the entire increase, viz., raw cotton from British India, imports of which rose in value from 7 million g.u. to 49 million g.u., and wheat and wheat flour from Australia, which were imported to the value of 25 million g.u. in 1939, although no wheat was brought in from that country in the preceding year and Australian shipments of wheat flour to China were valued at only 10.4 million g.u. in 1938.

Great Britain's shipments to China, valued at U.S.\$23.5 million (31 million g.u.), comprised such items as chemicals and pharmaceuticals, machinery and

tools, wool and woollen manufactures, metals and ores, vehicles and vessels, cotton goods, cordage and rope, miscellaneous metal manufactures, animal products, and wines, spirits and beer.

The British Empire bought from China to the extent of U.S.\$45·3 million as compared with U.S.\$75 million in 1938. This large decrease is accounted for by the depreciated value of the Chinese dollar, since in terms of Chinese currency there was actually an increase from Chinese \$357 million in 1938 to \$412 million in 1939. Hongkong is credited with a total of U.S.\$24·4 million, but, as in former years, much of this was probably transshipment cargo destined for other countries. Great Britain ranked second among importing countries with purchases valued at U.S.\$10 million, consisting mainly of egg products, bristles, miscellaneous animal products, hides and skins, silk, wool, tin ingots and slabs, and embroideries. Considerable increases were recorded in exports to British India and the Straits Settlements, both of which countries provide important markets for the many new industries established in Shanghai, and, in addition to produce, many manufactured items, such as electric lamps, materials and fittings, musical instruments, machinery and parts, and toilet requisites, are included in the list of exports to those countries.

TRADE WITH CANADA

Imports from Canada increased in value from U.S.\$2·3 million (3·4 million g.u.) in 1938 to U.S.\$3·2 million (4·3 million g.u.) in the year under review, although they decreased on a percentage basis from 0·88 per cent to 0·78 per cent. The falling-off in imports from the Dominion since the commencement of the Sino-Japanese hostilities is largely accounted for by the curtailment of trade in the two main commodities in which Canada is interested—timber and paper. In 1936 shipments of timber from Canada to China were valued at U.S.\$2·6 million (3·9 million g.u.). A large quantity of this timber was for railway requirements but, owing to the disturbed state of the country, normal rolling-stock replacements have not been made, and consequently the value of imports of timber from Canada into China totalled only U.S.\$1·2 million (1·6 million g.u.) during 1939. The position was similar in respect of paper and wood-pulp imports; owing to the closure of many Chinese paper-mills and printing establishments, supplies of these commodities from the Dominion were valued at only U.S.\$0·2 million (0·3 million g.u.) as compared with U.S.\$1·1 million (1·7 million g.u.) in 1936 and U.S.\$1·3 million (1·9 million g.u.) in 1937.

China's exports to Canada showed a substantial increase from U.S.\$0·8 million in 1938 to U.S.\$1·1 million in 1939, although this figure is still much below the total of U.S.\$2 million for 1937. A wide variety of articles was purchased by Canadian importers, including hair nets, hemp hats, chinaware, shelled groundnuts, groundnut oil, tea, gourmet powder, embroideries, handkerchiefs, carpets, and medicinal preparations.

A detailed review of the trade of Canada with China during 1939 will be published in a later issue of the *Commercial Intelligence Journal*.

CHINA'S EXPORTS TO PRINCIPAL COUNTRIES

Forty-six countries participated in China's export trade, but 81·75 per cent of the total value of exports was divided between ten countries only. The appended table shows the positions of these principal buying countries and of Canada in 1939 as compared with the two preceding years. It should be borne in mind that the export totals credited to Hongkong are in a way fictitious, as much of the cargo shipped there is later transported to other countries, and, owing to the fact that a large part of Canada's purchases from China are routed via Hongkong or the United States, the Dominion probably takes a much larger share of China's exports than is apparent from this table. French Indo-China

was fourth in the list of chief buying countries for 1939 but this position is rather fictitious also, as the increase in exports to that country was due to large shipments from Free China ports, obviously intended for transshipment to other countries from French Indo-China. These shipments were comprised mainly of metals (principally wolfram, tin, and antimony), valued at 53 million g.u. as compared with 5 million in 1938, and essential oils valued at 1.8 million g.u.

China's Exports to Chief Buying Countries

	1939			1938			1937		
	Million Chinese \$	Rank	Per Cent	Million Chinese \$	Rank	Per Cent	Million Chinese \$	Rank	Per Cent
Total exports.. . . .	1,030	..	100.00	763	..	100.00	838	..	100.00
United States	226	1	21.92	86	3	11.37	231	1	27.61
Hongkong.	222	2	21.56	243	1	31.87	162	2	19.38
Great Britain... . .	91	3	8.82	56	4	7.43	80	4	9.59
French Indo-China..	71	4	6.90	16	9	2.07	13	10	1.53
Japan.	67	5	6.47	116	2	15.26	84	3	10.06
Germany...	45	6	4.38	56	5	7.39	72	5	8.65
British India, incl. Burma...	36	7	3.53	24	6	3.19	16	8	1.94
Straits Settlements and F.M.S.	34	8	3.28	17	8	2.30	19	7	2.29
France.	33	9	3.17	20	7	2.67	32	6	3.89
Netherlands India..	18	10	1.72	7	14	0.87	6	16	0.74
Canada	10	16	0.99	3	8	0.48	7	12	0.85

CONTROL OF EXPORTS FROM CANADA

FISH LIVERS AND FISH OILS

A Memorandum of the Customs Division of the Department of National Revenue, dated June 24, 1940, states that licences for the export from Canada of fish livers, fish oils, fish liver oils and fish visceral oils shall be withheld unless approved by the Wartime Prices and Trade Board, 107 Sparks Street, Ottawa, on Foreign Exchange Control Board Form B. Applications for permission to export fish livers and fish oils should be forwarded direct to that Board.

TARIFF CHANGES AND TRADE REGULATIONS

United Kingdom

DETAILS OF NEW IMPORT LICENSING

With reference to the announcement in *Commercial Intelligence Journal* No. 1898 (June 15, 1940) page 959, concerning extension of the United Kingdom import licensing system, the following additional information is reproduced from Notice No. 76 issued on June 5 by the Import Licensing Department of the Board of Trade:—

1. The Board of Trade have made an Order—the Import of Goods (Control) Order, 1940—under which all goods, except live quadruped animals, imported into the United Kingdom will be subject to import licensing as from the 10th June. This Order supersedes all existing Import of Goods (Prohibition) Orders, except the Import of Goods (Prohibition) (Live Animals) Order, 1940 (S.R. & O. 1940 No. 58) regulating the routes by which cattle, sheep and pigs may be imported from Eire, which will remain in force.

2. No licence will be required for any goods covered by an existing Open General Licence or not hitherto subject to import licensing which are proved to the satisfaction of the Commissioners of Customs and Excise to have been despatched to the United Kingdom before 10th June, and are imported into the United Kingdom before 10th August.

3. No licence will be required for the importation of goods shown in Appendix I which are proved to the satisfaction of the Commissioners of Customs and Excise to have been

despatched to the United Kingdom before the date shown in the first column of that Appendix, and which are imported into the United Kingdom within two months of that date.

4. The Board of Trade have issued an Open General Licence for:—

- (a) Goods shown in Appendix II consigned from any country.
- (b) Goods shown in Appendix III which are consigned from any part of the British Empire (except Hongkong, Palestine and Transjordan) and which, if liable to duty, are regarded, in accordance with the rules governing the grant of Imperial Preference, as having been grown, produced or manufactured in the British Empire.
- (c) [Goods from Eire.]
- (d) [Goods from Channel Islands.]
- (e) [Cotton from Egypt and Anglo-Egyptian Sudan.]

5. [Goods from France and French Possessions.]

6. Importers are warned that they should not arrange to ship any goods to the United Kingdom until they have obtained a licence or ascertained definitely that a licence will be granted or that a separate licence is not required.

7. The Order applies also to goods sent by post.

8. Except for arms and ammunition, plumage and dyestuffs (as defined in Appendix VI) licences will not be required to import the following:—

- (a) Personal and household effects whether accompanying the traveller or not, provided that the goods are not being imported as merchandise or for sale.
- (b) Goods which are returned to this country in the same state as exported or after repair.
- (c) Trade samples whether imported as cargo or through the post.
- (d) Gifts brought in by a traveller or sent by post from a private sender to a private addressee, if the goods are of a kind not subject to rationing in this country.

Eligibility for these concessions must in each case be established to the satisfaction of the proper Officer of Customs and Excise.

9. The attention of importers is directed to the fact that these regulations, and the list of goods which may be imported without separate licence, are subject to alteration; the position set out in this Notice is a summary of the regulations in force at the 10th June, 1940. Changes are announced in Notices to Importers issued from time to time by the Import Licensing Department of the Board of Trade. These notices set out the procedure to be adopted in making applications for licences. It is pointed out that the procedure varies somewhat according to the class of goods which it is desired to import and importers should consult the Notice relating to the particular class of goods in which they are interested.

10. [Inquiries to Custom House, London.]

11. Applications for licences should be addressed to the Import Licensing Department, 25, Southampton Buildings, Chancery Lane, London, W.C. 2, except for the goods shown in Appendix V. Forms of application may be obtained from the Import Licensing Department or from any of the offices of H.M. Collectors of Customs and Excise.

APPENDIX I

GOODS WHICH CAN BE IMPORTED WITHOUT LICENCES IF DESPATCHED TO THE UNITED KINGDOM BEFORE THE DATES SPECIFIED (SEE PARA. 2)

April 15, 1940

Sulphur ore; elemental sulphur in any form whether crude or manufactured; spent oxide and mixtures containing more than 80 per cent by weight of elemental sulphur.

Mineral phosphates of lime.

Compounded medicinal preparations suitable for use in the internal or external treatment or prevention of human or animal ailments.

Antigens, antitoxins, sera, toxins and vaccines.

Medicinal substances of animal origin, ready for use.

Surgical catgut.

Non-ferrous metals and alloys thereof (whether coated or plated or not) other than parts of machinery and electrical apparatus, the following:—

Copper and alloys thereof containing more than 50 per cent by weight of copper.

Lead and alloys thereof containing more than 50 per cent by weight of lead.

Zinc or spelter and alloys thereof containing more than 50 per cent by weight of zinc.

April 17, 1940

Chromium ores and concentrates, whether briquetted or not.

Natural or artificial magnesium carbonates, hydroxides and oxides and dolomite and mixtures wholly or mainly thereof, with or without water.

May 10, 1940

Myrobalans.

Tanning extract of chestnut.

Chromium compounds.

Rosin (colophony).
May 25, 1940

May 28, 1940

Manufactures wholly or mainly of asbestos.

Vacuum flasks, vacuum jars and similar vacuum vessels, whether fitted or not, parts thereof and blanks therefor.

Hollowware made wholly or partly of aluminium.

Agricultural and horticultural forks, scythes, sickles, hooks, axes, hatchets, adzes, and matchets, and parts thereof except handles.

Fittings of the kinds used for incorporation in apparel, including fittings for braces, corsets and suspenders.

Handbag frames and fittings wholly or partly of metal or wholly or partly of plastic material.

May 30, 1940

Raw cotton.

Cotton linters.

Waste, wholly or mainly of cotton.

Yarns and thread, wholly or mainly of cotton.

APPENDIX II

GOODS WHICH CAN BE IMPORTED WITHOUT SEPARATE LICENCES IF CONSIGNED FROM ANY COUNTRY

Group 1

Agar-agar.

Cod liver oil.

Fish, fresh, other than frozen, and wet salted.

Isinglass.

Malt extracts.

Spirits.

Wines.

Yeast, alive or dead.

Group 2

Antimony ores, concentrates and residues.

Argol and other crude tartrates.

Asbestos, raw and waste.

Bauxite.

Bones and horns.

Charcoal other than activated and decolorizing.

Coal.

Cork, raw and granulated.

Cork shavings and waste.

Cryolite, natural and synthetic.

Drugs, natural, raw.

Fibres specified in Part 3, Group III (1) of the Customs Tariff.

Fur skins, undressed.

Gallnuts.

Glue stock.

Gold ores, concentrates and residues.

Graphite, natural and artificial.

Gums and resins, natural, except rosin (colophony) and shellac.

Hemp of all kinds, including false hemp.

Kyanite.

Monazite sand.

Nickel ores, concentrates, residues and matte.

Precious and semi-precious stones, and pearls, not drilled, mounted or set.

Radium ores, concentrates and residues.

Rubber, raw, including crepe; rubber latex; gutta percha and balata; but not including reclaimed and waste rubber.

Sand, ground and unground, and silica.

Seaweed.

Sillimanite.

Silver ores, concentrates and residues.

Stearic acid.

Talc, steatite and soapstone, ground and unground, including French chalk and asbestine.

Tin ores, concentrates and residues.

Waxes, natural.

Wood tar.

Zirconium ores, concentrates and residues.

Group 3

Antimony, crude and semi-manufactured.

Baskets of descriptions ordinarily used for the transport of fruit, vegetables, game or similar foodstuffs.

Books, printed, and other printed matter for reading purposes, music, catalogues, trade lists, advertising material, manuscripts, typescripts and like products of duplicating machines, imported as a single copy through the post.

Cadmium.

Cadmium mass.

Camphor, natural.

Carbon black from natural gas or acetylene.

Casein, powder or granular.

Chemicals in list 8 in Part 5 of the Customs and Excise Tariff shown as liable to Key Industry Duty, except (1) those shown in List A of this Notice, and (2) synthetic organic dyestuffs and intermediates. (See definition in Appendix VI.)

Cobalt.

Coke and manufactured solid fuel.

Cork discs not exceeding in diameter $1\frac{1}{2}$ inch and in thickness $\frac{1}{8}$ inch.

Cork stoppers.

Designs, architectural or engineering.

Dyeing extracts and natural dyes.

Film, cinematograph (standard width), unexposed, and film base.

Film, cinematograph, exposed.

Gold bullion.

Gold coin.

Hemp line or tow yarn.

Hose pipes and piping wholly of canvas, fitted or not.

Hydrographic charts.

Kainite and other mineral potassium fertilizer salts.

Maps and plans.

Newspapers.

Ossesine.

Press photographs.

Rags, wool.

Radium compounds.

Tin oxide.

Manufactures wholly or mainly of hemp (of all kinds) or flax or mixtures thereof the following:—(1) tissues of a weight of 10 or more a square yard and (2) nets and netting.

Tool handles of wood.

Turpentine and pine oil.

Wool, raw, of alpacas, llamas, mohair or vicuna.

Wool flocks.

Yarns wholly or mainly of wool.

*List A**Chemicals (other than dyestuffs) liable to Key Industry Duty which require import licences.*

Acenaphthene.

Acetaldehyde.

Acetic anhydride.

Acetone.

Acetyl urea and other acyl derivatives of

urea, substituted or not.

Acetylsalicylic acid and its salts.

Acid acetic.

Acid hydrochloric.

Acid hydrofluoric.

Acid sulphuric.

Acid nitric.

Adrenaline.

Aldehyde ammoniac.

Aloin.

Ammonium bicarbonate.

Ammonium carbonate.

Ammonium chloride.

Ammonium phosphate.

Ammonium sulphate.

Other ammonium salts.

Anyl cinnamic aldehyde.

Anyl esters.

Aniline.

Anisic aldehyde.

Antimony sulphide.

Arsenic compounds.

Arybenzamine.

Atropine and its salts.

Atropine methyl nitrate.

Barbitone and other alkyl and aryl compounds of barbituric acid, substituted or not, and salts of the foregoing.

Barium compounds.

Bismuth nitrate.

Benzamine and its salts.

Benzonaphthol.

Benzoyl chloride.

Benzoyl peroxide.

Benztlium disulphide.

Benzyl chloride.

Benzyl cyanide.

Benzyl esters.

Beryllium oxide and salts.

Bismuth compounds.

Bleaching materials.

Borax esters.

Borides inorganic.

Boryl alcohol.

Butyl esters.

- Cadmium oxide and cadmium salts.
 Caffeine and caffeine salts.
 Carbon bisulphide.
 Carbon tetrachloride.
 Carbons, decolorizing and activated.
 Cerium fluoride.
 Chlorine.
 Chloracetic acid.
 Chloral hydrate.
 Chloramine T.
 Chlorbutol.
 Cholesterol.
 Chromium compounds.
 Cinnamic aldehyde.
 Cinnamyl alcohol.
 Cinnamyl esters.
 Citronellal, citronellol and esters thereof.
 Cobalt salts.
 Copper oxychloride.
 Cotarnine chloride.
 Coumarin.
 Creosote carbonate.
 Cresyl esters.
 Cyclohexanol.
 Cyclohexanol esters and alkyl cyclohexanol esters.
 Dimethylaniline.
 Diphenylamine.
 Disodium methylarsenate.
 Ergosterol and hydroergosterol and their esters, irradiated or not.
 Ethyl esters.
 Ethylmorphine hydrochloride.
 Ethyl vanillin.
 Ethylene glycol.
 Euflavine.
 Eugenol and isoeugenol.
 Eugenyl esters.
 Eugenyl ethers.
 Formaldehyde methylamine and other aldehyde-amine compounds, polymerized or not, and fatty acid compounds or addition products thereof.
 Formamol.
 Formic acid.
 Geraniols and their esters.
 Glycerophosphoric acid and its salts.
 Glyceryl cresyl ethers and esters thereof.
 Glycol.
 Gold sodium thiosulphate.
 Guaiacol.
 Guaiacol carbonate.
 Heliotropine.
 Hexachlorethane.
 Hexamine and its salts.
 Hexyl acetate.
 Hydrofluosilicic acid.
 Hydroquinone.
 Hydrosulphites.
 Hydroxycitronellal.
 Ichthammol.
 Iodine.
 Iodides.
 Ionones, alpha, beta, 100 per cent and methyl.
 Lactic acid.
 Lead phosphate.
 Linalol and esters.
 Linoleic acid.
 Lithium hydroxide and salts.
 Magnesium chloride.
 Magnesium oxide.
 Magnesium hydroxide.
 Magnesium peroxide.
 Magnesium salts.
 Mercaptobenzthiazole and compounds.
 Mercurochrome.
 Mercury compounds.
 Mersalyl.
 Metaldehyde.
 Methyl esters.
 Metol.
 Methylacetanilide.
 Methyl salicylate.
 Methyl violet.
 Methylene ditannin.
 Musk ambrette, musk ketone and musk xylol.
 Neoarsphenamine.
 Nerol and neryl esters.
 Nicotinic acid.
 Nitrochlorbenzene.
 Orthocaine.
 Oxalic acid.
 Paraldehyde.
 Para-aminobenzenesulphonamide; its salts; derivatives of para-aminobenzenesulphonamide having one or both of the hydrogen atoms of the para-amino group substituted by other radicals; and salts thereof.
 Phenacetin.
 Phenolphthalein.
 Phenyl acetaldehyde.
 Phenyl esters.
 Phenyl ethyl alcohol and esters.
 Phosgene.
 Potash, caustic.
 Potassium carbonate.
 Potassium bromate.
 Potassium guaiacol sulphonate.
 Potassium hydroxyquinoline sulphate.
 Potassium iodide.
 Potassium metabisulphite.
 Procaine salts.
 Proflavine.
 Propyl esters.
 Pyrocatechin.
 Pyrogallol monoacetate.
 Pyrogallol triacetate.
 Quinine iodobismuthate.
 Resorcin.
 Rhodinol and esters.
 Salicylic acid.
 Silver compounds of proteins.
 Sodium aminarsenate.
 Sodium benzoate.
 Sodium formate.
 Sodium iodide.
 Sodium nitrite.
 Sodium sulphide.
 Sodium phosphates.
 Sodium potassium tartrate.
 Sodium salicylate.
 Strontium peroxide and strontium salts.
 Sodium taurocholate.
 Sulpharsphenamine.
 Sulphur chloride.
 Sulphur, precipitated, B.P.
 Terpeneol.
 Terpinyl esters.
 Tetrabromphenolphthalein and other tetra-halogenated phenolphthaleins and salts of the foregoing.

Thiuram mono- and di-sulphides.
 Theobromine and its salts.
 Thymol.
 Theophylline sodium acetate.
 Thiosinamine sodium salicylate.
 Thymol iodide.

Titanium oxide.
 Vanillin.
 Zinc arsenite.
 Zinc peroxide.
 Zirconium oxide.

APPENDIX III

GOODS WHICH CAN BE IMPORTED WITHOUT SEPARATE LICENCES IF CONSIGNED FROM ANY PART OF THE BRITISH EMPIRE (EXCEPT HONGKONG, PALESTINE AND TRANSJORDAN) PROVIDED THAT THEY ARE REGARDED, IN ACCORDANCE WITH THE RULES GOVERNING THE GRANT OF IMPERIAL PREFERENCE, AS HAVING BEEN GROWN, PRODUCED OR MANUFACTURED IN THE BRITISH EMPIRE.

Biscuits.
 Buttons, whether finished or not.
 Bulbs, corms, tubers and rhizomes, whether in flower or not.
 Cocoa, raw, husk and shell.
 Coir fibre and coir yarn.
 Cotton, raw, cotton linters and waste wholly or mainly of cotton.
 Dry earth colours.
 Essential oils, natural or synthetic, including terpeneless oils, and mixtures thereof.
 Jute, raw, and jute manufactures.
 Mica, slabs, splittings, ground and waste.
 Pepper, whether ground or not.
 Shellac.
 Soap, hard, in bars or tablets (other than abrasive soap and toilet soap).
 Tin, in blocks, ingots, bars and slabs.
 Wool, raw, of sheep and lambs.

APPENDIX IV

[GOODS WHICH REQUIRE SEPARATE LICENCES IF CONSIGNED FROM EIRE.]

APPENDIX V

[GOODS FOR WHICH APPLICATIONS FOR IMPORT LICENCES SHOULD BE SENT TO SOME ADDRESS OTHER THAN THE IMPORT LICENSING DEPARTMENT.]

APPENDIX VI

DEFINITIONS OF ARMS AND AMMUNITION, PLUMAGE AND DYESTUFFS

Firearms, lethal, including any lethal barrelled weapon of any description from which any shot, bullet or other missile can be discharged and other weapons of whatever description designed or adapted for the discharge of any noxious liquid, gas or other thing; component parts of any such firearm or other weapon as aforesaid, and any accessory to any such firearm or other weapon designed or adapted to diminish the noise or flash caused by firing the weapon.

Ammunition, including grenades, bombs and other like missiles, and any ammunition containing or designed or adapted to contain any noxious liquid, gas or other thing, and component parts of any such ammunition.

Plumage, other than plumage of birds imported alive, and of birds ordinarily used in the United Kingdom as articles of diet.

Dyes and dyestuffs the following:—

- (a) synthetic organic dyestuffs (including pigment dyestuffs) whether soluble or insoluble;
- (b) compounds, preparations and articles manufactured from any such dyestuffs, except any such compounds, preparations and articles as are not suitable for use in dyeing; and
- (c) organic intermediate products used in the manufacture of any such dyestuffs.

Australia

CHANGES IN FLOUR TAX

Mr. L. M. Cosgrave, Canadian Trade Commissioner in Sydney, Australia, writes that the rate of tax on flour under the Flour Tax (Wheat Industry Assistance) Assessment Act 1938-1939, was declared at £1 16s. 7d. per ton, to apply to all importations on and from February 10, 1940.

The different rates at which the flour tax has been fixed since its introduction on December 5, 1938, were reviewed in *Commercial Intelligence Journal* No. 1856 (August 26, 1939), page 431, the last rate reported being that fixed on July 21, 1939, at £6 per ton. Variations of the rate since that time have been

as follows: August 11, 1939, £6 2s. 9d.; September 1, 1939, £5 14s. 9d.; September 13, 1939, £5 2s. 9d.; October 25, 1939, £4 12s. 6d.; November 22, 1939, £4 2s. 3d.; December 7, 1939, £3 5s. 3d.; December 18, 1939, £2 2s. 3d.; December 23, 1939, £1 12s. 3d.; February 10, 1940, £1 16s. 7d.

The rate varies according to the amount by which the "free on rails" price of wheat is less than 5s. 2d. per bushel.

CONTENT REQUIREMENT FOR PREFERENCE IN CINEMATOGRAPH FILMS

By a Determination of the Australian Minister of Trade and Customs, gazetted March 20, 1940, all goods under tariff item No. 320C, (cinematograph films, unexposed, exposed, or developed) were added to the list of goods deemed for preferential tariff purposes to be goods of a class or kind not commercially produced or manufactured in Australia. The effect of this is to make such goods eligible for entry under the British preferential tariff if having 25 per cent of the factory or works cost made up of material and/or labour of Australia and/or the country entitled to preference, including Canada.

Prior to December 1, 1939, all such films were eligible for preference if having the 25 per cent qualifying content by virtue of their being free of duty under the British preferential tariff. Tariff amendments of that date provided for the imposition of duties under the British preferential tariff on certain descriptions of films, in consequence of which they automatically became included in the category of goods required to have 75 per cent qualifying content to be entitled to preference. The Determination now issued places all cinematograph films in the 25 per cent content for preference category, irrespective of the rates of duty applicable under the British preferential tariff.

Trinidad

IMPORTATION OF POTATOES

The Trinidad Control Board has issued a notice to importers of potatoes (Irish and English) that supplies of potatoes of any origin shipped after July 1, for which orders had not been certified by the Control Board, would be refused an import licence even though they had been ordered under a general import licence. The notice states that all orders placed by cable and/or otherwise confirmed for shipment after the second week in June, were to be submitted to the Control Board not later than June 10, and further orders submitted before being placed.

United States

MARKING OF WRAPPED PAPER

The weekly issue of United States Treasury Decisions of June 13 contains the summary of a decision of the Customs Court to the effect that imported paper, wrapped in rolls, and packed in wooden cases, with no marking on either the paper or the immediate wrappers, was insufficiently marked as to the country of origin of the goods, although the wooden cases bore a mark of origin. A copy of Section 304 of the United States Tariff Act, under which a mark of origin is required on imported goods, or their immediate containers, may be obtained on application to the Department of Trade and Commerce, Ottawa.

Paraguay

TRADE AGREEMENT WITH CANADA IN FORCE

A Canadian Order in Council was passed on June 20 giving effect to the new tariff arrangement between Canada and Paraguay as outlined in *Commercial Intelligence Journal* No. 1897 (June 8, 1940), page 922.

FOREIGN EXCHANGE QUOTATIONS: WEEK ENDING JUNE 24, 1940

The Foreign Exchange Division of the Bank of Canada has furnished the following statement of the nominal closing quotations for the principal exchanges for the week ending Monday, June 24, 1940, and for the week ending Monday, June 17, 1940, with the official bank rate:—

Country	Unit	Present or Former Gold Parity	Nominal Quotations in Montreal Week ending June 17	Nominal Quotations in Montreal Week ending June 24	Official Bank Rate
Finland	Markka	.0252	\$.0220	\$.0223	4
Great Britain	Pound	4.8666			
	Buying		4.4300	4.4300	2
	Selling		4.4700	4.4700	—
Greece	Drachma	.0130	.0074	.0074	6
Hungary	Pengo	.1749	.3227	.3227	4
	Unofficial		.1952	.1952	—
Yugoslavia	Dinar	.0176	.0249	.0249	5
Portugal	Escudo	.0442	.0407	.0404	4-4½
Roumania	Leu	.0060	.....	.....	3½
Spain	Peseta	.1930	.1013	.1013	4
Sweden	Krona	.2680	.2640	.2643	3
Switzerland	Franc	.1930	.....	.2505	1½
United States	Dollar	1.0000			
	Buying		1.1000	1.1000	1
	Selling		1.1100	1.1100	—
Mexico	Peso	.4985	.2016	.2192	3
Cuba	Peso	1.0000	.....	.....	—
Guadeloupe	Franc	.0392	.....	.....	—
Jamaica	Pound	4.8666	4.4800	4.4800	—
Martinique	Franc	.0392	.....	.....	—
Other British West Indies	Dollar	1.0138	.9313	.9313	—
Argentina	Peso (Paper)	.4245			
	Official		.3304	.3304	3½
	Free		.2431	.2420	—
Brazil	Milreis (Paper)	.1196			
	Official		.0673	.0673	—
	Free		.0559	.0558	—
British Guiana	Dollar	1.0138	.9313	.9313	—
Chile	Peso	.1217			
	Official		.0574	.0574	3-4½
	Export		.0444	.0444	—
Colombia	Peso	.9733	.6357	.6357	4
Peru	Sol	.2800	.....	.....	6
Venezuela	Bolivar	.1930	.....	.....	—
Uruguay	Peso	1.0342			
	Controlled		.7307	.7307	—
	Uncontrolled		.4242	.4151	—
South Africa	Pound	4.8666	4.4600	4.4600	3½
Egypt	Pound (100 Piastres)	4.9431	4.5800	4.5800	—
China (Shanghai)	Dollar	.....	.0645	.0655	—
Hongkong . . . . .	.....	.....	.2520	.2552	—
India	Rupée	.3650	.3359	.3342	3
Japan	Yen	.4985	.2601	.2601	3.29
Java	Guilder	.4020	.....	.....	—
Thailand (Siam)	Baht (Tical)	.4424	.....	.....	—
Straits Settlements	Dollar	.5678	.5256	.5256	—
Australia	Pound	4.8666	3.5800	3.5760	3
New Zealand	Pound	4.8666	3.5900	3.5900	4

The Dominion Bureau of Statistics has supplied the following note:—

Official buying and selling rates set by the Canadian Foreign Exchange Control Board for sterling and United States funds remained unchanged during the week ended June 24 at \$4.43-\$4.47 and \$1.10-\$1.11 respectively. At New York sterling free market rates fluctuated between \$3.54½ on June 20 and \$3.73½ on June 22, while the close at \$3.70 indicated a net advance of 5 cents. In the same interval Canadian funds stiffened from 80½ cents to a peak of 81½ cents on the 22nd but subsequently weakened to close at 80½ cents. The sharp rise noted for free sterling at New York on the 22nd reflected increased commercial demand following a ruling from London that importers of British goods could make payments in free sterling on contracts signed prior to June 8. Montreal rates for the Argentine peso (free rate) following an advance from 24.31 cents on June 17 to 24.42 cents on the 21st, reacted to close at 24.20 cents. There was an advance of 1¼ cent to 21.92 cents for the Mexican peso (quoted nominally) during the same period.

TRADE OPPORTUNITIES ABROAD FOR CANADIAN PRODUCTS

The Trade Inquiries for Canadian products published below have been received since the publication of the last issue of the *Commercial Intelligence Journal*. Interested exporters may secure the names and addresses of the firms making these inquiries, together with further details regarding the commodities required, on application to the Director, Commercial Intelligence Branch, Department of Trade and Commerce, Ottawa. or—

Secretary, Board of Trade—

Saint John, N.B.
Halifax, N.S.
Quebec, P.Q.
Montreal, P.Q.
Toronto, Ont.
Chatham, Ont.

Guelph, Ont.
Kitchener, Ont.
Brantford, Ont.
Stratford, Ont.
Woodstock, Ont.
St. Mary's, Ont.

Portage la Prairie, Man.
St. Boniface, Man.
Winnipeg, Man.
Vancouver, B.C.
New Westminster, B.C.

Secretary, Chamber of Commerce—

Sherbrooke, P.Q.
Kingston, Ont.
Oshawa, Ont.
Belleville, Ont.

Peterborough, Ont.
London, Ont.
St. Catharines, Ont.
Hamilton, Ont.

Victoria, B.C.
Prince Rupert, B.C.

Windsor Chamber of Commerce, Windsor, Ont.

Commercial Intelligence Service, Department of Municipal Affairs, Trade and Commerce, Quebec.

Department of Industry, Brantford, Ont.

Industrial Commissioner, Stratford, Ont.

La Chambre de Commerce de Montréal, 25 St. James E., Montreal, P.Q.

Secretary, Canadian Manufacturers Association—

Toronto, Ont.
Montreal, P.Q.

Winnipeg, Man.
Edmonton, Alta.

Vancouver, B.C.
Victoria, B.C.

Director, Bureau of Industrial and Trade Extension, Department of Trade and Industry, Victoria, B.C.

Canadian exporters should, for follow-up purposes, transmit a copy of any reply sent in response to a Trade Inquiry to the Trade Commissioner in the territory from which the inquiry emanated.

Commodity	No.	Location of Inquirer	Purchase or Agency
Miscellaneous—			
Silk Fishing Lines.....	454	Melbourne, Australia.....	Agency.
Sandpaper and Emery Cloth....	455	Santiago, Chile.....	Purchase and Agency.
Bathroom Fixtures and Supplies.	456	Santiago, Chile.....	Purchase and Agency.
Bolts and Nuts.....	457	Cork, Ireland.....	Purchase.
Steel Butt Hinges.....	458	Auckland, New Zealand..	Agency.
Lathe and Drill Chucks.....	459	London, England.....	Purchase.
Iron Pipe and Fittings.....	460	Santiago, Chile.....	Purchase.
Boiler Tubes (Second-hand)....	461	New York City, New York	Purchase.
Sawdust-burning Boilers.....	462	South Melbourne, Australia	Agency.
Resistance Wire for Electric Appliances and Radio.....	463	Melbourne, Australia....	Agency.
Wire for Stitching Containers and Boxes.....	464	Dublin, Ireland.....	Purchase.
Wire Netting, Hexagonal Mesh..	465	Cork, Ireland.....	Purchase.

COMMERCIAL INTELLIGENCE SERVICE

L. D. WILGRESS, *Director*

Argentina

J. A. STRONG, B. Mitre 430, Buenos Aires (1). (Territory includes Uruguay.) *Cable address, Canadian.*

Australia

Sydney: L. M. COSGRAVE. Address for letters—P.O. Box No. 3952V. Office—City Mutual Life Building, Hunter and Bligh Streets. (Territory includes the Australian Capital Territory, New South Wales, Queensland, Northern Territory and Dependencies.) *Cable address, Canadian.*

Melbourne: FREDERICK PALMER, 83 William Street, Melbourne, C.I. (Territory includes States of Victoria, South Australia, Western Australia, and Tasmania.) *Cable address, Canadian.*

Brazil

L. S. GLASS. Address for letters—Caixa Postal 2164, Rio de Janeiro. Office—Ed. Da. "A. Noite," Sala 802, Praca Maua. *Cable address, Canadian.*

British India

PAUL SYKES. Address for letters—P.O. Box 886, Bombay. Office—Gresham Assurance House, Mint Road, Bombay. (Territory includes Burma and Ceylon.) *Cable address, Canadian.*

British Malaya

J. L. MUTTER, Union Building, Singapore, Straits Settlements. (Territory includes the Straits Settlements, the Federated Malay States, the Unfederated Malay States, Thailand, British Borneo, and Netherlands India.) *Cable address, Canadian.*

British West Indies

Trinidad: M. B. PALMER. Address for letters—P.O. Box 125, Port of Spain. Office—Barclay's Bank Building. (Territory includes Barbados, Windward and Leeward Islands, and British Guiana.) *Cable address, Canadian.*

Jamaica: F. W. FRASER, P.O. Box 225, Kingston. Office—Canadian Bank of Commerce Chambers. (Territory includes the Bahamas and British Honduras.) *Cable address, Canadian.*

China

V. E. DUCLOS. Address for letters—P.O. Box 264, Shanghai. Office—Ewo Building, 27 The Bund, Shanghai. (Territory includes Central China and North China.) *Cable address, Canadian.*

Cuba

C. S. BISSETT. Address for letters—Apartado 1945, Havana. Office—Royal Bank of Canada Building, Calle Aguiar 367, Havana. (Territory includes Haiti, the Dominican Republic, and Puerto Rico.) *Cable address, Canadian.*

Egypt

HENRI TURCOT. Address for letters—P.O. Box 1770, Cairo. Office—22 Shari Kasr el Nil, Cairo. (Territory includes the Sudan, Palestine, Cyprus, Iraq, Syria, Iran, Greece, Turkey, Bulgaria, and Roumania.) *Cable address, Canadian.*

Hongkong

P. V. McLANE. Address for letters—P.O. Box 80, Hongkong. Office—Hongkong and Shanghai Bank Building, Hongkong. (Territory includes South China, the Philippines, and Indo-China.) *Cable address, Canadian.*

Ireland

JAMES CORMACK, 66 Upper O'Connell Street, Dublin, Ireland (*cable address, Canadian*); and 36 Victoria Square, Belfast, Northern Ireland.

CANADIAN GOVERNMENT TRADE COMMISSIONERS—*Con.*

Japan

C. M. CROFT, Commercial Secretary. Address for letters—P.O. Box 18, Akasaka Post Office, Tokyo. Office—Canadian Legation, 16 Omotecho, 3-chome, Akasakaku, Tokyo. *Cable address, Canadian.*

Mexico

R. T. YOUNG. Address for letters—Apartado Num. 126-Bis, Mexico City. Office—Edificio Banco de Londres y Mexico, Num. 30, Mexico City. (Territory includes Guatemala, Honduras, and Salvador.) *Cable address, Canadian.*

New Zealand

W. F. BULL. Address for letters—P.O. Box 33, Auckland. Office—Yorkshire House, Shortland Street, Auckland. (Territory includes Fiji and Western Samoa.) *Cable address, Canadian.*

Panama

H. W. BRIGHTON. Address for letters—P.O. Box 222, Panama City. Office—98 Central Avenue, Panama City. (Territory includes the Canal Zone, Venezuela, Colombia, Nicaragua, and Costa Rica.) *Cable address, Canadian.*

Peru

M. J. VECHSLER. Address for letters—Casilla 1212, Lima. Office—Edificio Boza, Carabaya 831, Plaza San Martin, Lima. (Territory includes Bolivia, Ecuador, and Chile.) *Cable address, Canadian.*

South Africa

Cape Town: J. C. MACGILLIVRAY. Address for letters—P.O. Box 683. Office—New South African Mutual Buildings, 21 Parliament Street. (Territory includes Cape Province and Southwest Africa, Natal, Tanganyika, Kenya, Uganda, Mauritius, and Madagascar.) *Cable address, Cantracom.*

Johannesburg: J. H. ENGLISH. Address for letters—P.O. Box 715. Office—Prudential Assurance Building, 92 Fox Street. (Territory includes Transvaal, Orange Free State, the Rhodesias, Mozambique or Portuguese East Africa, and Nyasaland.) *Cable address, Cantracom.*

United Kingdom

London: FREDERIC HUDD, Chief Trade Commissioner in the United Kingdom, Canada House, Trafalgar Square, S.W.1. *Cable address, Sleighing, London.*

London: G. R. HEASMAN, Trade Commissioner, Canada House, Trafalgar Square, S.W.1. (Territory includes Home Counties, Southeastern Counties, and East Anglia; also British West Africa.) *Cable address, Sleighing, London.*

London: W. B. GORNALL, Fruit Trade Commissioner, Aldine House, Bedford Street, Strand, W.C.2. *Cable address, Canfrucum.* (Territory—for fresh fruit only—includes United Kingdom, Sweden, and France.)

London: G. R. PATERSON, Animal Products Trade Commissioner, Canada House, Trafalgar Square, S.W. 1. *Cable address, Agrilson.*

Liverpool: A. E. BRYAN, Martins Bank Building, Water Street. (Territory includes North of England, Lincolnshire, North Midlands, and North Wales.) *Cable address, Canadian.*

Bristol: E. L. MCCOLL, Northcliffe House, Colston Avenue. (Territory includes West of England, South Wales, and South Midlands.) *Cable address, Canadian.*

Glasgow: G. B. JOHNSON, 200 St. Vincent Street. (Territory covers Scotland.) *Cable address, Cantracom.*

United States

New York City: D. S. COLE, British Empire Building, Rockefeller Center. (Territory includes Bermuda.) *Cable address, Cantracom.*

Chicago: W. J. RIDDIFORD, Tribune Tower, 435 North Michigan Avenue. *Cable address, Canadian.*

Los Angeles: B. C. BUTLER, Associated Realty Building, 510 West Sixth Street. *Cable address, Canadian.*

Note.—Bentley's Second Phrase Code is used by Canadian Trade Commissioners.

Dr. Doc
25

I N D E X
TO THE
COMMERCIAL INTELLIGENCE JOURNAL
FOR THE
SIX MONTHS ENDING JUNE, 1940
Nos. 1875 to 1900
VOL. LXII

	PAGE		PAGE
A		Apples	
Agricultural Implements		Argentina, imports in 1939.. . . .	335
Argentina, imports in 1939.. . . .	336	Australia, sales prospects, 1940 season..	683
Agricultural Products		Argentina	
Argentina, exports in 1939.. . . .	303	Agricultural implements, imports in 1939.. . . .	336
United Kingdom, government controlled prices.. . . .	931	Agricultural products, exports in 1939..	303
Agriculture		Animal products, average export prices in 1939.. . . .	306
Egypt, conditions in 1939.. . . .	914	exports in 1939.. . . .	306
Ireland, conditions in 1939.. . . .	506	Apples, imports in 1939.. . . .	335
in Northern.. . . .	546	Asbestos fibre, imports.. . . .	336
United Kingdom, conditions in 1939..	881	Corn, 1939-40 crop, first official estimate.. . . .	689
policy.. . . .	234	second official estimate.. . . .	987
Alcohol		Exchange conditions.. . . .	833
Ireland, production in 1939.. . . .	332	Exports in 1939.. . . .	254
from molasses.. . . .	331	Factors affecting sales.. . . .	148
from potatoes.. . . .	331	Flour, production and distribution in 1938.. . . .	17
use in petrol.. . . .	332	Foreign trade in 1939.. . . .	253
Alfalfa Meal		Furs, exports in 1938.. . . .	863
United States, production and market in Eastern.. . . .	184	imports in 1938.. . . .	862
Anglo-Egyptian Sudan		rates of duty on.. . . .	863
Effect of war on import trade.. . . .	175	Grain, average export prices in 1939..	306
Exchange conditions.. . . .	196, 782	exports in 1939.. . . .	304
Exports in 1938.. . . .	344	1939-40 production, second official estimate.. . . .	387
in 1939.. . . .	956	Import control system.. . . .	255
Flour, imports in 1938.. . . .	92	Imports and exports in 1938.. . . .	209
Foreign trade in 1938.. . . .	343	Imports in 1939.. . . .	256
in 1939.. . . .	955	from Austria in 1938.. . . .	210
Imports in 1938.. . . .	175, 344	from Canada in 1938.. . . .	217
in 1939.. . . .	955	from Czecho-Slovakia in 1938.. . . .	210
from Canada in 1938.. . . .	176	from Germany in 1938.. . . .	210
from Germany in 1938.. . . .	176	detailed.. . . .	211
Opportunities for Canadian trade.. . .	176	from North America.. . . .	979
Trade with Canada, 1938-39.. . . .	345	from Poland in 1938.. . . .	210
in 1939.. . . .	957	List of goods permitted entry from Canada.. . . .	147
Wheat, production in 1938.. . . .	92	Live stock, industry.. . . .	304
Animal Products		Lumber and timber, imports in 1939..	336
Argentina, average export prices in 1939.. . . .	306	Meats, exports in 1939.. . . .	305
exports in 1939.. . . .	306	Newsprint, imports in 1939.. . . .	333
		Opportunities for Canadian trade..	216, 978
		Paper, imports of wrapping in 1939..	334
		production in 1938.. . . .	334

	PAGE		PAGE
Argentina—Con.		Australia—Con.	
Reports of Trade Commissioner J. A. Strong, Buenos Aires— <i>Con.</i>		Import licensing regulations.. . . .	35, 71
Potatoes (seed), imports in 1939 . . .	335	74, 104, 192, 223, 349, 528, 559,	735, 831, 960
Payments agreement with United Kingdom, operation of.. . . .	257	amendments.. . . .	736, 830
Reports of Trade Commissioner J. A. Strong, Buenos Aires:		further amendments.. . . .	989
November 29, 1939.. . . .	11	modifications.. . . .	193, 989
January 10, 1940.. . . .	146	further modifications.. . . .	604
January 31, 1940.. . . .	253	Import regulations: effect on Canadian trade.. . . .	113
January 31, 1940.. . . .	303	Import restrictions, further relaxations.. . . .	647
January 31, 1940.. . . .	333	Imports by mail subject to licensing restrictions.. . . .	604
April 4, 1940.. . . .	862	Imports of interest to Canada, detailed.. . . .	572
May 4, 1940.. . . .	833	Jan.-June, 1939, detailed.. . . .	115
June 7, 1940.. . . .	978	Imports from Denmark in 1939.. . . .	939
Report of Assistant Trade Commissioner J. C. Depocas, Buenos Aires:		from Estonia in 1939.. . . .	939
December 26, 1939.. . . .	208	from Finland in 1939.. . . .	939
Trade with Canada in 1939.. . . .	333	from France exempted from licence.. . . .	919
With Germany.. . . .	208	from Latvia in 1939.. . . .	939
Wheat, exports in 1938.. . . .	15	from Lithuania in 1939.. . . .	939
grading system.. . . .	16	from Norway in 1939.. . . .	938
marketing methods.. . . .	14	from Scandinavian and Baltic countries, detailed.. . . .	939
production and varieties grown.. . . .	11	from Sweden in 1939.. . . .	938
Wood pulp, imports in 1939.. . . .	334	Leather, export control regulations.. . . .	207
Asbestos		Marking regulations.. . . .	960
Japan, imports in 1939.. . . .	983	Motor vehicle chassis, import control regulations.. . . .	872
market situation.. . . .	983	import quotas.. . . .	735
Asbestos Fibre		restrictions.. . . .	603
Argentina, imports.. . . .	336	Newsprint, import licensing regulations.. . . .	106
Australia		Paper, opportunities for Canadian.. . . .	449
Abrasive paper and piece-goods, import licensing regulations.. . . .	74	pre-war market for various types.. . . .	444
Apples, sales prospects, 1940 season.. . . .	683	Pineapples (canned), production and exports.. . . .	473
Automobile chassis, import restrictions on Canadian and American.. . . .	987	Porcelain insulators, marking regulations.. . . .	35, 456
Cinematograph films, content requirement for preference.. . . .	1042	Reports of Trade Commissioner Frederick Palmer, Melbourne:	
Dairying, industrial conditions.. . . .	682	December 15, 1939.. . . .	139
Date of delivery of goods ordered prior to December 1, 1939, extended to June 30, 1940.. . . .	455	January 16, 1940.. . . .	291
Deferred duties, further postponement.. . . .	193	January 30, 1940.. . . .	403
Duties changed.. . . .	513, 736, 872, 988	February 13, 1940.. . . .	471
Economic conditions, 1939-40.. . . .	1008	March 21, 1940.. . . .	628
Effect of wartime conditions on Canadian trade.. . . .	571	March 27, 1940.. . . .	683
Flour, export market conditions.. 88, 139, 291, 444, 602, 628, 820, 968		Reports of Trade Commissioner L. M. Cosgrave, Sydney:	
tax changed.. . . .	1041	February 19, 1940.. . . .	513
Fruits (canned), production and exports.. . . .	471	March 23, 1940.. . . .	682
Fruit salad (canned), production and exports.. . . .	473	April 22, 1940.. . . .	937
Hides, export control regulations.. . . .	206	May 10, 1940.. . . .	1008
Import control regulations.. . . .	775	Reports of Assistant Trade Commissioner R. P. Bower, Sydney:	
changed.. . . .	320, 321, 349, 350	November 1, 1939.. . . .	444
Import licence quotas not carried forward.. . . .	321	December 18, 1939.. . . .	113
		December 27, 1939.. . . .	206
		March 11, 1940.. . . .	571
		April 4, 1940.. . . .	775
		April 22, 1940.. . . .	872
		Sales tax increased.. . . .	778
		Special war duty on imports.. . . .	735
		Tariff decisions as to classification and rates.. . . .	455, 529, 691, 874

	PAGE		PAGE
British Malaya—Con.		British West Indies—Con.	
Straits Settlements, made-up textiles, quota control..	76	Jamaica—Con.	
poisons ordinance 1938.. . . .	424	reports of Trade Commissioner	
trade marks, registration in.. . . .	321	F. W. Fraser, Kingston:	
British North Borneo		December 16, 1939..	6
Economic conditions in 1939.. . . .	858	January 20, 1940..	201
British Solomon Islands		tariff rulings..	994
Duties changed..	692	textiles, import control regulations.	75
British West Africa		Trade Commissioner to visit	
Cocoa, trade control..	244	Canada..	399
Economic conditions..	243	trade with Germany, German-con-	
Effect of war on trade..	243	trolled and other European	
Exchange control..	380	countries..	201
Gambia, import control regulations..	650	Leeward Islands, exchange conditions.	832
Gold Coast, exports in 1938.. . . .	383	import licensing regulations changed.	194
foreign trade in 1938..	383	Trinidad exchange conditions.. . . .	832
imports in 1938..	384	import licensing regulations changed.	270
from Germany in 1938..	387	potatoes, import control regulations.	1042
Import licensing regulations.. . . .	380	report of Trade Commissioner	
Nigeria, displacement of German trade.	10	M. B. Palmer, Port of Spain:	
exports in 1938..	8	May 20, 1940..	832
foreign trade in 1938..	8	Trade Commissioner to visit Canada.	399
imports in 1938..	8	Windward Islands, exchange condi-	
detailed..	9	tions..	832
Sierra Leone, foreign trade in 1938..	244	Broom Handles	
import control regulations..	578	United Kingdom, square, for govern-	
imports in 1938..	245	ment departments..	617
detailed..	245	Brunei	
from Germany in 1938..	247	See Borneo (British)	
Trade regulations..	380	Building	
British West Indies		United Kingdom, industry..	236
Bahamas, exports in 1938..	7	Building Supplies	
foreign trade in 1938..	6	Chile, government requirements.. . .	100
imports in 1938..	6	Bulgaria	
Barbados, exchange conditions.. . .	832	Economic conditions in 1939.. . . .	946
import restrictions on Canadian		Exchange conditions..	394, 784
goods relaxed..	393	Flour, milling industry..	63
preference regulations for trans-		Wheat, exports in 1937..	63
shipped goods..	609	production and consumption.. . .	62
Bermuda, duties changed..	106	Burma	
exports in 1939..	631	Exchange regulations..	554
from Canada..	631	Trade regulations..	554
foreign trade in 1939..	629	Butter	
imports in 1939..	629	United Kingdom, imports in 1939..	1004
from Canada..	629	trade control..	1004
British Guiana, exchange conditions.	832	Buttons	
import licensing regulations changed.	194	United Kingdom, imports in 1938.. .	666
British Honduras, cornmeal and corn		market in London..	665
grits, import licensing regula-		opportunities for Canadian exporters.	670
tions..	107	C	
textiles, import licensing..	75	Canada	
Grenada, import licensing regulations.	75	British Trade Commissioners, list	
changed..	194	of..	272, 458, 601
Jamaica, import licensing regula-		Cod liver oil, export control regu-	
tions..	204, 269	lations..	689
imports from Austria..	203	Export Control Regulations.. . . .	347
from Czecho-Slovakia..	203	Exports to Neutral countries.. . . .	497
from Germany..	201	control..	600
of commodities of interest to		contiguous to Germany, control..	347
Canada..	202		
from Poland..	203		
from other European countries..	203		
medicine labels, formula required on.	961		

	PAGE		PAGE
Canada—Con.		China	
Exports to the United States under quota provisions of the trade agreement.. . . .	152, 346, 453, 601, 829	Customs and tariff administration..	723
Exports to the United States under the trade agreement effective January 1, 1939..	128, 292, 438, 580, 800	Economic conditions in 1939.. . . .	720
Fish livers and fish oils, export control regulations.. . . .	1036	Exchange conditions.. . . .	425, 725
Foxes, supplemental trade agreement with the United States <i>re</i> silver and black.. . . .	69	Exports in 1939.. . . .	1035
Lobster (canned), export control regulations.. . . .	987	Foreign trade in 1939.. . . .	721, 1030
Publications, list of departmental..	356	Import control regulations.. . . .	724
Summary of the trade by months..	51, 219, 370, 512, 681, 891	Imports in 1939.. . . .	1031
Trade agreement with the Dominican Republic concluded.. . . .	422	Industrial activity, increased.. . . .	727
Carbon Paper		Notice <i>re</i> lost mail.. . . .	552
Netherlands, imports and market..	54	Outlook for 1940.. . . .	728
prices.. . . .	55	Plants, establishment of new.. . . .	727
Cattle		Reports of Trade Commissioner V. E. Duclos, Shanghai:	
United Kingdom, census in 1939.. . .	882	February 25, 1940.. . . .	720
imports from Canada in 1939.. . . .	884	February 28, 1940.. . . .	552
Cereals		April 24, 1940.. . . .	1030
Switzerland, imports from Canada in 1939.. . . .	903	Trade Commissioner to visit Canada..	535
United Kingdom, price control.. . . .	569	Trade with the British Empire in 1939.. . . .	1034
prices.. . . .	369	with Canada in 1939.. . . .	1035
Certificates of Origin		with Germany in 1939.. . . .	1034
<i>See</i> Documentation		with Japan in 1939.. . . .	1033
Ceylon		with the United States in 1939.. . .	1034
Exchange regulations.. . . .	556	Coal	
Exports in 1939.. . . .	766	United Kingdom, exports from South Wales, Jan.-Aug., 1939.. . . .	811
to Canada.. . . .	768	Cocoa	
Foreign trade in 1939.. . . .	763	British West Africa, trade control..	244
Imports in 1939.. . . .	765	Cocoons	
from Canada.. . . .	768	Japan, production in 1939.. . . .	556
Liquors and tobaccos, duties increased..	153	Codfish	
Tobacco, unmanufactured, duties changed.. . . .	271	Mexico, imports of dried in 1939.. . .	915
Trade regulations.. . . .	555	market for dried.. . . .	915
Trade with Canada in 1939.. . . .	768	United Kingdom, imports in 1938..	660
Charcoal		Cod Liver Oil	
United Kingdom, imports into the North of England.. . . .	840	United Kingdom, production and con- sumption in Great Britain.. . . .	618
prospects for Canadian.. . . .	844	Colombia	
requirements in the North of Eng- land.. . . .	839	Addresses on mail.. . . .	890
Cheese		Economic conditions.. . . .	771
United Kingdom, imports in 1939..	1004	Exchange conditions.. . . .	695
into Scotland in 1939.. . . .	849	Flour, imports in 1938.. . . .	643
trade control.. . . .	1006	Imports in 1938.. . . .	261
Chile		from Germany in 1938.. . . .	262
Building supplies, government require- ments.. . . .	100	detailed.. . . .	262
Economic conditions in 1939.. . . .	568	Inquiry for Canadian products.. . .	267
Exchange conditions.. . . .	227, 834	Lumber, imports in 1938.. . . .	870
Imports from Germany, detailed.. . .	42	Opportunities for Canadian trade..	860
Marking regulations.. . . .	224	Trade with Germany in 1938.. . . .	261
Trade opportunities for Canadian goods..	957	Wheat, imports in 1938.. . . .	643
Trade with Germany.. . . .	41	production.. . . .	643
		Consular Invoices	
		Brazil, fees, new rates.. . . .	457
		Venezuela, requirements.. . . .	645
		<i>See also</i> Documentation	
		Copper	
		United Kingdom, price control.. . . .	469
		trade control.. . . .	465

	PAGE		PAGE
Corn		Denmark—Con.	
Argentina, 1939-40 crop, first official estimate.. . . .	689	Flour, government policy.. . . .	180
Costa Rica		imports in 1938.. . . .	180
Exchange conditions.. . . .	697	milling industry.. . . .	177
Flour, imports in 1938.. . . .	646	Grain law, amendments.. . . .	322
Invoicing for shipments.. . . .	270	Import control law extended.. . . .	425
Lumber, imports in 1938.. . . .	870	Trade with principal countries.. . . .	815
Cotton		Wheat, government policy.. . . .	180
Peru, production and exports in 1939.. . . .	345	imports in 1938.. . . .	178
Cuba		possibilities for Canadian.. . . .	182
Codfish and beans, minimum duty continued.. . . .	393	production in 1938.. . . .	177
Duty reduced on canned salmon from the United States.. . . .	155	Documentation	
Exchange conditions.. . . .	108, 650	Costa Rica, invoicing for shipments.. . . .	270
Exports in 1938.. . . .	416	France, requirements.. . . .	31
to Canada in 1938.. . . .	421	Guatemala, certificates of origin, regulations.. . . .	832
Foreign trade in 1938.. . . .	416	<i>See also</i> Consular Invoices	
Imports in 1938.. . . .	418	Dominica	
detailed.. . . .	309	Duties changed.. . . .	223
from Canada.. . . .	421	Dominican Republic	
from Germany.. . . .	308	Exchange conditions.. . . .	108, 650
detailed.. . . .	309	Exports in 1938.. . . .	390
Market prospects for Canadian products.. . . .	307	Foreign trade in 1938.. . . .	387
Reports of Trade Commissioner C. S. Bissett, Havana:		Imports in 1938.. . . .	389
December 23, 1939.. . . .	307	detailed.. . . .	341
December 28, 1939.. . . .	340	from Canada in 1938.. . . .	392
December 31, 1939.. . . .	337	from Germany in 1938 detailed.. . . .	341
January 5, 1940.. . . .	387	Market prospects for Canadian products.. . . .	340
January 15, 1940.. . . .	416	Trade agreement with Canada concluded.. . . .	422
Sales tax increased.. . . .	36	with Newfoundland signed.. . . .	648
Surcharge on Canadian goods removed.. . . .	609	Trade with Canada in 1938.. . . .	391
Trade Commissioner to visit Canada.. . . .	615	with Germany in 1938.. . . .	340
Trade with Canada in 1938.. . . .	420	Treaty with France suspended.. . . .	107
with Germany in 1938.. . . .	307	E	
Cyprus		Ecuador	
Duties changed.. . . .	920	Exchange conditions.. . . .	274, 698
Effect of war on import trade.. . . .	247	Machinery for industrial and agricultural purposes, surcharge removed.. . . .	394
Exchange conditions.. . . .	782	Eggs	
Flour, duties changed.. . . .	530	United Kingdom, imports in 1939.. . . .	1002
imports in 1938.. . . .	94	into Scotland in 1939.. . . .	850
milling industry.. . . .	93	maximum prices for frozen.. . . .	617
Import control regulations.. . . .	424	trade control.. . . .	1002
revised.. . . .	649	Egypt	
Imports from Austria in 1938.. . . .	248	Agriculture, conditions in 1939.. . . .	914
from Czecho-Slovakia in 1938.. . . .	248	Economic conditions in 1939.. . . .	910
from Germany in 1938.. . . .	248	Exchange conditions.. . . .	781
Opportunities for Canadian trade.. . . .	249	Exchange control.. . . .	143, 913
Wheat, duties changed.. . . .	107, 530	Exports in 1939.. . . .	949
imports in 1938.. . . .	93	to Canada in 1939.. . . .	951
production in 1938.. . . .	92	Flour, imports in 1938.. . . .	91
D		milling industry.. . . .	90
Dairying		Foreign trade in 1939.. . . .	912, 948
Australia, industrial conditions.. . . .	682	Imports in 1939.. . . .	948
Denmark		detailed.. . . .	952
Duties and sales tax on luxury articles changed.. . . .	530	from Austria in 1938.. . . .	140
Exchange conditions.. . . .	352	by commodities in 1937.. . . .	141
		from Canada in 1939.. . . .	951
		from Czecho-Slovakia, Jan.-July, 1939.. . . .	140

Egypt—Con.**Imports—Con.**

by commodities in 1937.....	141
from Germany, Jan.-July, 1939....	140
by commodities in 1937.....	141
from Poland, Jan.-July, 1939....	140
Newsprint, customs regulations....	303
imports in 1938.....	302
outlook for Canadian sales.....	302
Opportunities for Canadian trade..	142, 954
Quotations and terms of payment..	143
Reports of Trade Commissioner Henri Turcot, Cairo:	
November 4, 1939.....	98
November 9, 1939.....	92
December 2, 1939.....	61
December 2, 1939.....	62
December 2, 1939.....	64
December 2, 1939.....	68
December 2, 1939.....	88
December 2, 1939.....	92
December 2, 1939.....	99
December 9, 1939.....	95
December 11, 1939.....	140
December 18, 1939.....	83
December 28, 1939.....	221
December 28, 1939.....	247
December 29, 1939.....	175
December 29, 1939.....	302
December 30, 1939.....	318
December 30, 1939.....	319
December 30, 1939.....	343
January 30, 1940.....	394
March 18, 1940.....	709
April 1, 1940.....	781
April 1, 1940.....	783
April 15, 1940.....	910
April 16, 1940.....	948
April 18, 1940.....	946
April 18, 1940.....	975
April 20, 1940.....	908
April 22, 1940.....	955
Trade with Canada in 1939.....	950
Wartime import trade conditions..	143
Wheat, production and trade.....	88

Eire*See Ireland***Electrical Machinery**

India, market possibilities for electric generators and transmission equipment.....	146
---	-----

El Salvador

Economic conditions, Jan.-Mar., 1940.	916
---------------------------------------	-----

Exchange**Conditions in foreign countries:**

Anglo-Egyptian Sudan.....	196, 782
Argentina.....	833
Bolivia.....	273, 785
Brazil.....	272, 400, 738, 922
British Malaya.....	457
British West Indies, Barbados..	832
British Guiana.....	832
Leeward Islands.....	832
Trinidad.....	832
Windward Islands.....	832
Bulgaria.....	394, 784
Burma.....	554

Exchange—Con.**Conditions in Foreign Countries—Con.**

Ceylon.....	556
Chile.....	227, 834
China.....	425, 725
Colombia.....	695
Costa Rica.....	697
Cuba.....	108, 650
Cyprus.....	782
Denmark.....	352
Dominican Republic.....	108, 650
Ecuador.....	274, 698
Egypt.....	781
Finland.....	353
Gibraltar.....	832
Greece.....	783
Haiti.....	108, 650
Honduras.....	272, 562
Hongkong.....	498
India.....	553
Iran.....	783
Iraq.....	783
Japan.....	274
Lebanon.....	782
Levant Mandated States.....	196
Malta.....	694
Mexico.....	225, 562
Netherlands India.....	458, 994
New Zealand.....	962
Nicaragua.....	696
Northern Rhodesia.....	693
Norway.....	353
Palestine.....	782
Panama.....	697
Portugal.....	833
Puerto Rico.....	108, 650
Peru.....	226, 697
Roumania.....	784
South Africa.....	781
Southern Rhodesia.....	693
Sweden.....	353, 498
Syria.....	782
Venezuela.....	695
Control in:	
British Malaya.....	610
British West Africa.....	380
Egypt.....	143, 913
Palestine.....	714
United Kingdom.....	615

Exhibitions and Fairs

France, Lyons Spring Fair, 1940..	139
Netherlands, Royal Netherlands Industries Fair.....	686

F**Federated Malay States**

Import prohibitions.....	195
Textiles, quotas continued during 1940.....	224

Feedstuffs

United Kingdom, government controlled prices.....	167
increased.....	930
import control regulations, amendment.....	290
imports into Scotland in 1939..	849
trade control in Great Britain..	436

	PAGE		PAGE
Ferrous Metals		Flour—Con.	
United Kingdom, trade control.. ..	432	Colombia, imports in 1938.. ..	643
Fertilizers		Costa Rica, imports in 1938.. ..	646
United Kingdom, market conditions.	289	Cyprus, imports in 1938.. ..	94
trade control.. ..	288	milling industry.. ..	93
Fiji		Denmark, government policy.. ..	180
Import and exchange restrictions.. ..	154	imports in 1938.. ..	180
Finland		milling industry.. ..	177
Exchange conditions.. ..	353	Egypt, imports in 1938.. ..	91
Flour, government policy.. ..	408	milling industry.. ..	90
import duties.. ..	409	Finland, government policy.. ..	408
imports in 1938.. ..	406	import duties.. ..	409
by countries in 1938.. ..	411	imports in 1938.. ..	406
milling industry.. ..	404	by countries in 1938.. ..	411
milling and mixing regulations.. ..	409	milling industry.. ..	404
possibilities for Canadian.. ..	410	possibilities for Canadian.. ..	410
quota allotted for Canadian.. ..	410	quota allotted for Canadian.. ..	410
Trade with principal countries.. ..	815	France, exports, exports in 1938.. ..	60
Wheat, government policy.. ..	408	imports in 1938.. ..	60
import duties.. ..	408	trade regulations.. ..	57
imports in 1938.. ..	405	Greece, import regulations.. ..	67
by countries in 1938.. ..	411	milling industry.. ..	66
possibilities for Canadian.. ..	410	Iraq, exports in 1938.. ..	100
production in 1938.. ..	404	imports in 1938.. ..	100
Fish		milling industry.. ..	100
South Africa, exports of smoked,		Ireland, milling industry.. ..	150
dried, fresh and frozen.. ..	749	Japan, consumption in 1939.. ..	733
imports of smoked, dried, frozen		exports in 1939.. ..	732
and fresh.. ..	749	imports in 1939.. ..	732
market for smoked, dried, frozen		price control regulations.. ..	733
and fresh.. ..	748	situation in 1939.. ..	730
United Kingdom, government		Levant Mandated States, production	
measures for frozen.. ..	655	and trade.. ..	98
imports of fresh and frozen.. ..	659	Nicaragua, imports in 1938.. ..	646
production in Great Britain.. ..	662	Palestine, import regulations.. ..	98
trade conditions for frozen.. ..	655	imports, Jan.-June, 1939.. ..	97
Fish (Canned)		market prospects.. ..	98
United Kingdom, trade control.. ..	538	milling industry.. ..	96
Fish Meal		rates of duty.. ..	97
United Kingdom, import control.. ..	437	Panama, imports in 1938.. ..	646
Flashlight Bulbs		Peru, market conditions in 1939.. ..	729
United Kingdom, market opportunities		Roumania, milling industry.. ..	61
in the West of England.. ..	746	South Africa, government control	
Flax		regulations.. ..	24
Australia, proposed manufacture of		imports and exports in 1938.. ..	27
fabric.. ..	403	situation.. ..	23
Flooring		Turkey, milling industry.. ..	68
United Kingdom, import restrictions		United Kingdom, imports into Scot-	
on hardwood.. ..	671	land in 1939.. ..	848
Flour		price control.. ..	569
Anglo-Egyptian Sudan, imports in		Venezuela, imports in 1937.. ..	644
1938.. ..	92	Food Products	
Argentina, production and distribu-		Japan, exports of tinned in 1939.. ..	917
tion in 1938.. ..	17	United Kingdom, price control.. ..	327
Australia, export market conditions.		Foxes	
88, 139, 291, 444, 602, 628, 820, 968		United States, supplemental trade	
Brazil, government policies.. ..	19	agreement with Canada <i>re</i> silver	
imports in 1938.. ..	19	and black.. ..	69
milling industry.. ..	21	France	
opportunities for Canadian sales..	22	Commercial agreement with United	
Bulgaria, milling industry.. ..	63	Kingdom.. ..	560
		Documentation, requirements.. ..	31
		Exports, Jan.-July, 1939.. ..	719
		to Canada, Jan.-July, 1939.. ..	752

France—Con.

Flour, exports in 1938.. . . .	60
imports in 1938.. . . .	60
trade regulations.. . . .	57
Foreign trade, Jan.-July, 1939.. . . .	717
Import control regulations.. . . .	30
Imports, Jan.-July, 1939.. . . .	717
from Canada, Jan.-July, 1939.. . . .	750
Lyons Spring Fair, 1940.. . . .	139
Meats, imports duty free.. . . .	224
Policy to be followed by Canadian exporters.. . . .	32
Reports of Commercial Attache Hercule Barre, Paris:	
March 12, 1940.. . . .	717
April 12, 1940.. . . .	750
Reports of Assistant Commercial Attache, J. P. Manion, Paris:	
October 20, 1939.. . . .	56
November 6, 1939.. . . .	30
Shipping, facilities.. . . .	31
Tariff treatment of gifts to armed forces.. . . .	351
Trade regulations.. . . .	30
Trade with Canada, Jan.-July, 1939.. . . .	750
Wheat, exports in 1938.. . . .	60
imports in 1938.. . . .	60
trade regulations.. . . .	56

French Indo-China

Demand for Canadian products.. . .	1024
Exports in 1939.. . . .	1026
Foreign trade in 1939.. . . .	1026
Imports in 1939.. . . .	1027
detailed.. . . .	1027
Regulations re goods transhipped at Hongkong and Singapore.. . .	780

Fruits (Canned)

Australia, production and exports.. .	471
of salad.. . . .	473

Furs

Argentina, exports in 1938.. . . .	863
imports in 1938.. . . .	862
rates of duty.. . . .	863
Brazil, market.. . . .	864
Italy, imports in 1938.. . . .	905
trade.. . . .	904
Uruguay, market.. . . .	864

G**Gambia**

See British West Africa

Gibraltar

Exchange conditions.. . . .	832
Import control regulations.. . . .	321, 424

Gold Coast

See British West Africa

Grain

Argentina, average export prices in 1939.. . . .	306
exports in 1939.. . . .	304
1939-40 production, second official estimate.. . . .	387

Granite

United States, duty on Canadian.. .	301
imports in 1938.. . . .	301
market conditions in Eastern.. . .	298
in Western.. . . .	894
opportunities for Canadian.. . .	301, 895

Great Britain

See United Kingdom

Greece

Exchange conditions.. . . .	783
Flour, import regulations.. . . .	67
milling industry.. . . .	66
Wheat, duties.. . . .	65
imports in 1938.. . . .	65
production and trade.. . . .	64

Grenada

See British West Indies

Gadeloupe

Flour, duty abolished.. . . .	456
-------------------------------	-----

Guatemala

Certificates of origin, regulations.. .	832
---	-----

H**Haddock**

United Kingdom, imports in 1938.. .	660
-------------------------------------	-----

Haiti

Exchange conditions.. . . .	108, 650
Imports in 1938, detailed.. . . .	337
from Germany in 1938, detailed.. .	337
Market prospects for Canadian products.. . . .	337
Trade with Germany in 1938.. . . .	337

Halibut

United Kingdom, imports in 1938.. .	661
-------------------------------------	-----

Hams

See Bacon and Hams

Hay

United States, situation in West Coast States.. . . .	641
--	-----

Herring

United Kingdom, imports in 1938.. .	660
market in the West of England for canned.. . . .	807

Hides

Australia, export control regulations..	206
---	-----

Honduras

Duties changed.. . . .	693
Economic conditions, Jan.-March, 1940.. . . .	917
Exchange conditions.. . . .	272, 562

Honey

United Kingdom, imports in 1939.. .	1007
into Scotland in 1939.. . . .	851
trade control.. . . .	1007

	PAGE		PAGE
Hongkong		Iraq—Con.	
Beer, market..	857	Foreign trade in 1938..	318
Displacement of European trade.. . .	449	Imports and exports in 1938..	318
Exchange conditions..	498	Imports from Canada in 1938..	319
List of items of interest to Canadian exporters..	449	Trade with Canada in 1938..	318
Motor vehicles and radios, import licensing regulations..	994	Wheat, exports in 1938..	99
Notice re lost mail..	552	government improvement scheme..	99
Reports of Trade Commissioner P. V. McLane, Hongkong:		imports in 1938..	99
January 4, 1940..	315	production and trade..	99
January 19, 1940..	449	Ireland	
February 26, 1940..	498	Agricultural conditions in 1939.. . .	506
April 18, 1940..	857	in Northern..	546
April 26, 1940..	1024	Alcohol, production in 1939..	332
Horses		from molasses..	331
United Kingdom, census in 1939.. . .	885	from potatoes..	331
Hosiery		use in petrol..	332
United Kingdom, market for cotton in London..	664	Apples, fresh, free entry..	734
I		Bacon, trade control..	168
India		Barley, market for pearl..	852
Cold storage facilities..	86	Budget for 1940..	886
Economic conditions in 1939..	714	Economic conditions in Northern in 1939..	887
Effect of war on foreign trade..	521	Exports, Jan.-Aug., 1939..	675, 679
Electric generators and transmission equipment, market possibilities	146	to Canada, Jan.-Aug., 1939..	680
Exchange regulations..	553	Flour, milling industry..	150
Foreign trade, April-Dec., 1939.. . . .	519	Foreign trade in 1939..	674
Hydro-electric power, development.. .	143	Import quotas and quota periods for certain items..	497
Import licensing regulations..	874, 993	Imports, Jan.-Aug., 1939..	675
Irrigation schemes, development.. . .	52	from Canada, Jan.-Aug., 1939..	676
New opportunities for Canadian sales	822	from Denmark..	853
Refrigerating and air-conditioning equipment, inquiries for..	87	from Finland, Jan.-Aug., 1939.. . . .	819
Reports of Trade Commissioner Paul Sykes, Calcutta and Bombay:		from Germany in 1938, detailed.. . .	134
October 26, 1939..	85	Ladies' headgear and wood screws, quotas fixed..	35
November 6, 1939..	143	Lumber and timber, import control..	241
November 10, 1939..	52	imports in 1938..	242
February 9, 1940..	519	from Canada in 1938..	243
February 24, 1940..	714	Pigs (live), trade control..	168
March 5, 1940..	763	Reports of Trade Commissioner James Cormack, Dublin:	
March 6, 1940..	552	November 30, 1939..	148
April 23, 1940..	822	December 18, 1939..	134
Trade Commissioner's office to move to Bombay..	327	December 22, 1939..	168
Trade Commissioner to visit Canada..	239	January 8, 1940..	241
Trade regulations..	552	February 3, 1940..	331
Trade with Canada, April-Dec., 1939	520	February 22, 1940..	506
Insurance		February 22, 1940..	546
United Kingdom, government scheme for lumber and timber..	367	March 19, 1940..	674
Iran		April 11, 1940..	853
Exchange conditions..	783	April 22, 1940..	819
Iraq		April 26, 1940..	887
Exchange conditions..	783	May 6, 1940..	852
Exports to Canada in 1938..	319	May 9, 1940..	886
Flour, exports in 1938..	100	Silk and artificial silk hosiery and candles, import quotas fixed..	830
imports in 1938..	100	Timber, import control regulation modified..	735
milling industry..	100	Trade with Germany..	134
		War-risk insurance included in dutiable value..	691
		Wheat, government control..	149
		imports in 1938..	149
		production..	148
		Woven tissues of wool and worsted, import quotas fixed..	153, 691
		and spark plugs, import quotas fixed	351

	PAGE		PAGE
Iron and Steel		Japan—Con.	
United Kingdom, import licensing regulations..	27	Reports of Assistant Trade Commissioner M. T. Stewart, Tokyo:	
industry..	235	February 20, 1940..	593
production in South Wales, Jan.-July, 1939..	813	March 18, 1940..	556
trade control..	432, 470	March 20, 1940..	686
		April 15, 1940..	917
		May 15, 1940..	983
Italy		Salmon, exports of tinned in 1939..	918
Furs, imports in 1938..	905	Sardines, exports of tinned in 1939..	918
trade..	904	Silk (raw), exports in 1939..	557
Reports of Trade Commissioner A. B. Muddiman, Milan:		Wheat, export control..	155
April 3, 1940..	904	imports in 1939..	731
April 11, 1940..	694	price control regulations..	733
April 16, 1940..	968	situation in 1939..	730
April 30, 1940..	832		
April 30, 1940..	947	Java	
State of war proclaimed..	962	See Netherlands India	
		L	
J		Lead	
Jamaica		United Kingdom, price control..	469
See British West Indies		trade control..	465
Japan		Leather	
Asbestos, imports in 1939..	983	Australia, export control regulations..	207
market situation..	983	Lebanon	
Cocoons, production in 1939..	556	Exchange conditions..	782
Conventional tariff rates continued for United States goods..	425	Leeward Islands	
Corporation profits..	101	See British West Indies	
Drugs, chemicals and medicines, export control regulations..	322	Levant Mandated States	
Exchange conditions..	274	Exchange conditions..	196
Exports in 1939..	594	Flour, production and trade..	98
detailed..	595	Foreign trade in 1938..	319
Jan.-Sept., 1939..	186	Import licensing regulations..	196
to Canada in 1939..	598	Imports in 1938..	221
Jan.-Sept., 1939..	189	from Germany..	221
Flour, consumption in 1939..	733	Opportunities for Canadian trade..	221
export control..	155	Trade with Canada in 1938..	319
exports in 1939..	732	Wheat, production and trade..	98
imports in 1939..	732		
price control regulations..	733	Live Stock	
situation in 1939..	730	Argentina, industry..	304
Food products, exports of tinned in 1939..	917	United Kingdom, government control..	161
Foreign trade in 1939..	593	Uruguay, situation in 1939..	307
Jan.-Sept., 1939..	185	Lobster (Canned)	
Imports in 1939..	597	Canada, export control regulations..	987
detailed..	597	Lumber and Timber	
Jan.-Sept., 1939..	187	Argentina, imports in 1939..	336
detailed..	188	Colombia, imports in 1938..	870
from Canada in 1939..	599	Costa Rica, imports in 1938..	870
Jan.-Sept., 1939..	190	Ireland, import control..	241
from Germany..	481	imports in 1938..	242
detailed..	481	from Canada in 1938..	243
Outlook for Canadian sales..	191	Nicaragua, imports in 1938..	870
Reports of Commercial Secretary C. M. Croft, Tokyo:		Panama, imports in 1938..	870
November 10, 1939..	101	Peru, imports in 1938..	1021
November 24, 1939..	185	market situation..	1020
January 19, 1940..	274	South Africa, domestic production..	330
February 1, 1940..	481	imports..	328
March 14, 1940..	730	requirements..	328

Lumber and Timber—Con.

United Kingdom, imports into Scot-	
land in 1939.. . . .	851
into South Wales, Jan.-Aug., 1939.	810
prospects for Canadian.. . . .	368
purchases of Canadian softwood..	705
trade control.. . . .	364
United States, market conditions..	450
Venezuela, imports in 1938.. . . .	870

M**Machinery (Agricultural)**

Netherlands, imports in 1939.. . . .	548
--------------------------------------	-----

Mail Services

China, notice <i>re</i> lost mail.. . . .	552
Hongkong, notice <i>re</i> lost mail.. . . .	552

Malta

Exchange conditions.. . . .	694
Import prohibitions.. . . .	424

Manchukuo

Import and export restrictions.. . .	155
--------------------------------------	-----

Manchuria

Economic conditions in 1939.. . . .	686
Foreign trade in 1939.. . . .	688

Maple Sugar and Maple Syrup

United States, 1940 crop.. . . .	761
imports in 1939.. . . .	762
production in 1939.. . . .	761

Meats

Argentina, exports in 1939.. . . .	305
United Kingdom, import control regu-	
lations.. . . .	933
imports in 1939.. . . .	933

Mexico

Codfish, imports of dried in 1939..	915
market for dried.. . . .	915
Economic conditions in 1939.. . . .	411
Jan.-March.. . . .	859
Exchange conditions.. . . .	225, 562
Imports in 1938.. . . .	1013
Legalization of commercial invoices	
no longer required.. . . .	36
Opportunities for Canadian sales..	1012
Reports of Trade Commissioner	
R. T. Young, Mexico City:	
January 18, 1940.. . . .	411
January 25, 1940.. . . .	225
February 3, 1940.. . . .	272
February 21, 1940.. . . .	414
March 27, 1940.. . . .	562
April 24, 1940.. . . .	916
April 29, 1940.. . . .	859
May 11, 1940.. . . .	915
May 20, 1940.. . . .	985
June 17, 1940.. . . .	1012
Rice, production in 1938.. . . .	414
Representation in.. . . .	985

Milk-Bottle Discs

United Kingdom, demand in the West	
of England.. . . .	1001

Milk (Condensed and Powdered)

United Kingdom, trade control.. . .	1006
-------------------------------------	------

Montserrat

Value for duty changed to c.i.f. basis.	649
---	-----

Motor Vehicles

New Zealand, imports, Jan.-March,	
1940.. . . .	967

N**Netherlands**

Apples (fresh), monopoly tax re-	
duced.. . . .	561
Carbon paper, imports and market.	54
prices.. . . .	55
Cattle and animal products, import	
regulation.. . . .	351, 530
Economic conditions in 1939.. . . .	580
Effect of contraband control on trade.	250
Exports to Canada in 1939.. . . .	755, 760
Foreign trade in 1939.. . . .	249
Hosiery, import restrictions.. . . .	155
Imports from Canada in 1939.. . . .	755, 758
detailed.. . . .	756, 822
from Germany in 1938.. . . .	252
Machinery (agricultural), imports in	
1939.. . . .	548
Reports of Commercial Secretary	
J. A. Langley, Rotterdam:	
December 28, 1939.. . . .	249
February 22, 1940.. . . .	586
April 8, 1940.. . . .	896
Reports of Assistant Commercial	
Attache, W. G. Stark, Rotter-	
dam:	
December 16, 1939.. . . .	54
February 15, 1940.. . . .	548
April 1, 1940.. . . .	753, 822
Royal Netherlands Industries Fair.	686
Trade with Canada in 1939.. . . .	753
Typewriter ribbons, market.. . . .	55

Netherlands India

Exchange conditions.. . . .	458, 994
Exports in 1938.. . . .	489
from Canada in 1938.. . . .	490
Foreign trade in 1938.. . . .	489
Import quota restrictions.. . . .	108
Import quotas renewed.. . . .	425
Imports in 1938.. . . .	490
detailed.. . . .	492
from Canada in 1938.. . . .	491
Increased surtax continued.. . . .	108
Strong medicines ordinance.. . . .	425

Netherlands West Indies

Duties temporarily abolished in Saba,	
St. Eustache and St. Martin..	155

Newfoundland

Potatoes (seed), unit of weight for	
imports.. . . .	736
Trade agreement with Australia.. . .	423
with the Dominican Republic.. . . .	648

	PAGE		PAGE
Newsprint		Nyasaland	
Argentina, imports in 1939.. . . .	333	Economic conditions in 1939.. . . .	684
Egypt, customs regulations.. . . .	303		
imports in 1938.. . . .	302	O	
outlook for Canadian sales.. . . .	302	Oysters	
United States, consumption.. . . .	704	United Kingdom, import licensing	
exports to Central and South		regulations.. . . .	205
America.. . . .	704	market conditions.. . . .	205
imports.. . . .	703		
situation.. . . .	703	P	
New Zealand		Palestine	
Exchange conditions.. . . .	962	Customs agreement with Syria.. . . .	153
Exports in 1939.. . . .	622	Duties changed.. . . .	780
Import licensing regulations.. . . .	608, 778	Effect of war on import trade.. . . .	83
Imports in 1939.. . . .	622	Exchange conditions.. . . .	782
of interest to Canada, detailed.. . . .	625	Exchange control.. . . .	714
Motor vehicles, import licensing regu-		Exports in 1939.. . . .	976
lations.. . . .	74	Flour, duties.. . . .	424
imports, Jan.-March, 1940.. . . .	967	import regulations.. . . .	98
Overseas trade in 1939.. . . .	621	imports, Jan.-June, 1939.. . . .	97
Reports of Assistant Trade Commis-		market prospects.. . . .	98
sioner C. B. Birkett Auckland:		milling industry.. . . .	96
March 18, 1940.. . . .	621	rates of duty.. . . .	97
May 24, 1940.. . . .	967	Foreign trade in 1939.. . . .	975
Samples, import control regulations.. . . .	321, 560	Import control regulations.. . . .	713
Tariff decisions as to classifications		Imports in 1939.. . . .	975
and rates.. . . .	559, 648	from Austria in 1937.. . . .	84
Tenders invited.. . . .	156, 454, 774	from Canada in 1939.. . . .	977
Trade control.. . . .	624	from Czecho-Slovakia in 1937.. . . .	85
Trade with Canada.. . . .	625	from Germany in 1937.. . . .	84
		from Poland in 1937.. . . .	85
Nicaragua		Opportunities for Canadian trade.. . . .	85
Exchange conditions.. . . .	696	Points for exporters.. . . .	709
Flour, imports in 1938.. . . .	646	Trade with Canada in 1939.. . . .	977
Imports in 1938.. . . .	220	Wheat, import regulations.. . . .	96
from Germany in 1938.. . . .	220	imports, Jan.-June, 1939.. . . .	95
Lumber, imports in 1938.. . . .	870	production and trade.. . . .	95
		rates of duty.. . . .	96, 424
Nigeria		Panama	
See British West Africa		Exchange conditions.. . . .	697
Northern Rhodesia		Flour, imports in 1938.. . . .	646
Economic conditions in 1939.. . . .	685	Imports from Germany in 1938.. . . .	314
Exchange conditions.. . . .	693	Lumber, imports in 1938.. . . .	870
Exports to Germany in 1938.. . . .	82	Mr. Brighton to visit Colombia and	
Imports from Germany in 1938.. . . .	82	Venezuela.. . . .	113
Milk, skimmed or evaporated, mark-		Opportunities for Canadian trade.. . . .	860
ing regulations.. . . .	692	Official holidays.. . . .	322
Opportunities for Canadian exporters.. . . .	83	Reports of Trade Commissioner H.	
Trade with Germany.. . . .	82	W. Brighton, Panama City:	
Norway		January 17, 1940.. . . .	258
Duties changed.. . . .	456	January 18, 1940.. . . .	220
Exchange conditions.. . . .	353	January 18, 1940.. . . .	261
Imports from Germany in 1938, de-		January 30, 1940.. . . .	314
tailed.. . . .	632	April 9, 1940.. . . .	642
Report of Trade Commissioner		April 10, 1940.. . . .	644
Richard Grew, Oslo:		April 10, 1940.. . . .	645
February 24, 1940.. . . .	632	April 19, 1940.. . . .	695
Reports of Assistant Trade Commis-		April 19, 1940.. . . .	695
sioner T. J. Monty, Oslo:		April 19, 1940.. . . .	696
December 15, 1939.. . . .	176	April 19, 1940.. . . .	697
January 13, 1940.. . . .	352	April 22, 1940.. . . .	771
January 29, 1940.. . . .	404	April 26, 1940.. . . .	769
February 28, 1940.. . . .	498	May 4, 1940.. . . .	870
Trade with Germany in 1938.. . . .	632	May 14, 1940.. . . .	890
with principal countries.. . . .	815	May 16, 1940.. . . .	860

	PAGE		PAGE
Paper		Philippine Islands	
Argentina, imports of wrapping in 1939..	334	Exports in 1938..	316
production in 1938..	334	to Canada in 1938..	317
Australia, opportunities for Canadian pre-war market for various types..	449	Foreign trade in 1938..	315
United Kingdom, demand for tissue apple wraps in the West of England..	444	Imports in 1938..	315
import control..	705	from Canada in 1938..	317
rationing scheme..	361	Trade with Canada in 1938..	317
trade control regulations..	362		
	706	Pigs (Live)	
Paraguay		Ireland, trade control..	168
New tariff arrangement with Canada..	922	Pineapple (Canned)	
Trade agreement with Canada in force..	1042	Australia, production and exports..	473
Payments Agreement		Pitprops	
United Kingdom with Argentina, operation of..	257	United Kingdom, trade control..	366
with Spain..	568	Pitwood	
Peas (Dried)		United Kingdom, imports into South Wales, Jan.-Aug., 1939..	810
United Kingdom, import control..	205	Plants	
market conditions..	204	China, establishment of new..	727
price control..	369	Plywood	
prospects for Canadian sales.. . . .	205	Peru, imports in 1938..	1023
Peru		United Kingdom, import control regulations, effect of..	807
Automobiles and tires, additional taxes..	530	Points for Exporters	
Box shooks, imports in 1938.. . . .	1023	Palestine..	709
Cotton, production and exports in 1939	345	South Africa..	371
Duties changed..	921	Pork	
Exchange conditions..	226, 697	United Kingdom, imports of chilled and frozen, Jan.-July, 1939..	936
Exports in 1939..	866	Portugal	
Flour, market conditions in 1939..	729	Exchange conditions..	833
Foreign trade in 1939..	866	Imports from Germany..	970
Imports in 1939..	866, 1014	Trade with Germany..	968
detailed..	1014	Potatoes (Seed)	
Lumber and timber, imports in 1938..	1021	Argentina, imports in 1939..	335
market situation..	1020	United States, duty changed on Canadian..	36
Opportunities for Canadian sales..	1014	Poultry	
Plywood, imports in 1938..	1023	United Kingdom, imports, Jan.-July, 1939..	937
Railway sleepers, imports in 1938..	1022	Publications	
Reports of Trade Commissioner M. J. Vechsler, Lima:		Departmental, list of..	356
December 12, 1939..	41	Imperial Economic Committee's, list of..	788
March 27, 1940..	729	Puerto Rico	
April 2, 1940..	866	Exchange conditions..	108, 650
April 9, 1940..	868	Pulp	
May 13, 1940..	1020	United States, consumption of chemical..	568
May 16, 1940..	957	imports of chemical, Jan.-Feb., 1940	567
May 31, 1940..	1014	Pulpwood	
Reports of Assistant Trade Commissioner S. G. MacDonald, Lima:		United Kingdom trade control..	366
January 23, 1940..	226		
January 24, 1940..	273	R	
January 26, 1940..	274	Railway Sleepers	
January 30, 1940..	345	Peru, imports in 1938..	1022
April 15, 1940..	697		
April 18, 1940..	698		
April 20, 1940..	980		
April 25, 1940..	785		
April 27, 1940..	834		
Veneers, imports in 1938..	1023		
Wheat, market conditions in 1939..	729		
rice and maize, import permits required..	994		

	PAGE
Refrigerating and Air Conditioning Equipment	
India, inquiries..	87
Rice	
Mexico, production in 1938.. . . .	414
Roumania	
Economic conditions in 1939.. . . .	908
Exchange conditions..	784
Flour, milling industry..	61
Wheat, production in 1938.. . . .	61
S	
St. Kitts	
See British West Indies	
St. Lucia	
See British West Indies	
St. Vincent	
See British West Indies	
Salmon	
United Kingdom, imports of fresh and frozen..	661
Salmon (Canned)	
Japan, exports in 1939..	918
United Kingdom, effect of control on Canadian sales..	537
trade control..	535
Sardines	
Japan, exports of tinned in 1939..	918
Scrap Metal	
United Kingdom, trade control.. .	470
Seed Potatoes	
See Potatoes (Seed)	
Shipbuilding	
United Kingdom, conditions.. . . .	464
Shipping	
France, facilities..	31
United Kingdom, conditions during war..	463
control..	367
foreign competition..	464
government control..	161
Sierra Leone	
See British West Africa	
Silk (Raw)	
Japan, exports in 1939..	557
South Africa	
Economic conditions in 1939.. . . .	539
Jan.-March, 1940..	821
in the Transvaal in 1939.. . . .	543
Exchange conditions..	781
Fish, exports of smoked, dried, fresh and frozen..	749
imports of smoked, dried, fresh and frozen..	749

South Africa—Con.

Fish—Con.

market for smoked, dried, frozen and fresh..	748
Flour, government control regulation.	24
imports and exports in 1938.. . . .	27
situation..	23
Growth of industry..	517
Imports from Denmark..	855
from Finland..	856
from Norway..	855
from Sweden..	855
Industrialization planned..	516
Lumber and timber, domestic production..	330
imports..	328
requirements..	328
Luxury goods, duties changed.. . .	560
Points for exporters..	371
Reports of Trade Commissioner J. C. Macgillivray, Cape Town:	
November 22, 1939..	23
January 4, 1940..	371
January 12, 1940..	328
February 12, 1940..	539
February 15, 1940..	516
April 17, 1940..	854
April 18, 1940..	821
Reports of Trade Commissioner J. H. English, Johannesburg:	
January 4, 1940..	371
February 12, 1940..	543
February 29, 1940..	684
March 11, 1940..	693
Reports of Assistant Trade Commissioner J. C. Britton, Johannesburg:	
November 28, 1939..	82
December 15, 1939..	207
February 14, 1940..	517
April 9, 1940..	748
Trade with Scandinavian countries..	854
Wheat, duty applicable to Canadian..	27
government control regulation.. .	24
imports in 1938..	25
milling industry..	26
situation..	23

Southern Rhodesia

Economic conditions..	207
in 1939..	517
Exchange conditions..	693
Imports from Germany..	207
Possibilities for Canadian trade ..	208
Trade with Germany..	207

Spain

Trade and payments agreement with the United Kingdom.. . . .	568
--	-----

Straits Settlements

See British Malaya

Strawboard

United Kingdom, import control.. .	361
------------------------------------	-----

Surinam (Netherlands Guiana)

Basis for levying duty and tariff changes..	352
---	-----

	PAGE
Sweden	
Exchange conditions.. . . .	353, 498
Trade with principal countries.. . . .	815
Switzerland	
Cereals, imports from Canada in 1939..	903
Economic conditions in 1939.. . . .	896
Exports in 1939.. . . .	902
Foreign trade in 1939.. . . .	900
Imports in 1939.. . . .	901
from Canada in 1939.. . . .	904
Syria	
Customs agreement with Palestine..	153
Exchange conditions.. . . .	782

T

Tanganyika	
Import licencing regulations.. . . .	76

Tar	
United Kingdom, market for pine..	928

Tariff Changes and Trade Regulations

Argentina, furs, rates of duty on.. . .	863
import control system.. . . .	255
Australia, abrasive paper and piece- goods, import licencing regula- tions.. . . .	74
automobile chassis, import restric- tions on Canadian and Ameri- can.. . . .	987
cinematograph films, content re- quirement for preference.. . . .	1042
date of delivery of goods ordered prior to Dec. 1, 1939, extended to June 30, 1940.. . . .	455
deferred duties further postponed..	193
duties changed.. . . .	513, 647, 736, 872, 988
flour tax changed.. . . .	1041
import control regulations.. . . .	775
changed.. . . .	320, 321, 349, 350
import licence quotas not carried forward.. . . .	321
import licencing regulations.. . . .	35, 71, 74, 104, 106, 192, 223, 349, 528, 559, 735, 831, 960
amended.. . . .	736, 830
further amendments.. . . .	989
modified.. . . .	193, 989
further modifications.. . . .	604
marking regulations.. . . .	960
import regulations, effect on Cana- dian trade.. . . .	113
import restrictions, further relaxa- tions.. . . .	647
imports by mail subject to import licencing restrictions.. . . .	604
imports from France exempted from licence.. . . .	919
motor vehicle chassis, import quotas..	735
import control regulations.. . . .	872
import restrictions.. . . .	603
porcelain insulators, marking regula- tions.. . . .	35, 456
sales tax increased.. . . .	778
special war duty on imports.. . . .	735

Tariff Changes and Trade Regulations—Con.

Australia—Con.	
tariff decisions as to classifications and rates.. . . .	455, 529, 691, 874
timber, import licensing regulations	604
trade agreement with Brazil con- cluded.. . . .	423
with Newfoundland.. . . .	423
Belgium, sales tax increased.. . . .	195
Bolivia, consular fee to be paid by exporter to.. . . .	225
Brazil, trade agreement with Australia concluded.. . . .	423
British Malaya, currency on docu- ments.. . . .	76
liquors and tobaccos, duties changed	194
made-up textiles, quota control in Straits Settlements.. . . .	76
poisons ordinance 1938 in Straits Settlements.. . . .	424
trade marks, registration in Straits Settlements.. . . .	321
British Solomon Islands, duties changed.. . . .	692
British West Africa, import licensing regulations.. . . .	380
in Sierra Leone.. . . .	578
British West Indies, Barbados, import restrictions on Canadian goods relaxed.. . . .	393
preference regulations for tranship- ped goods.. . . .	609
Bermuda, duties changed.. . . .	106
British Guiana, import licensing regulations changed.. . . .	194
British Honduras, cornmeal and corn grits, import licensing regula- tions.. . . .	107
textiles, import licensing regula- tions.. . . .	75
Grenada, import licensing regulations changed.. . . .	194
Jamaica, import licensing regula- tions.. . . .	204, 269
medicine labels, formula required on.. . . .	961
tariff rulings.. . . .	994
textiles, import control regulations	75
Leeward Islands, import licensing regulations changed.. . . .	194
Trinidad, import licensing regula- tions changed.. . . .	270
potatoes, import control regula- tions.. . . .	1042
Canada, cod liver oil, export control regulations.. . . .	689
control of exports to neutral coun- tries contiguous to Germany.. . . .	347, 497, 600
export control regulations.. . . .	689
exports to the United States under the quota provisions of the trade agreement.. . . .	152, 346, 453, 601, 829
exports to the United States under the trade agreement effective January 1, 1939.. . . .	128, 292, 438, 580, 800
fish livers and fish oils, export con- trol regulations.. . . .	1036

	PAGE
Tariff Changes and Trade Regulations—Con.	
Canada—Con.	
foxes, supplemental trade agreement with United States re silver and black.. . . .	69
trade agreement with the Dominican Republic concluded.. . . .	422
Ceylon, liquors and tobacco, duties increased.. . . .	153
tobacco, unmanufactured, duties changed.. . . .	271
Chile, marking regulations.. . . .	224
China, customs and tariff administration.. . . .	723
import control regulations.. . . .	724
Costa Rica, invoicing for shipments..	270
Cuba, codfish and beans, minimum duty continued.. . . .	393
duty reduced on canned salmon from the United States.. . . .	155
sales tax increased.. . . .	36
surcharge on Canadian goods removed.. . . .	609
Cyprus, duties changed.. . . .	107, 920
import control regulations.. . . .	424
revised.. . . .	649
wheat and flour, duties changed..	530
Denmark, duties and sales tax on luxury articles changed.. . . .	530
grain law, amendments.. . . .	322
import control law extended.. . . .	425
Dominica, duties changed.. . . .	223
Dominican Republic, trade agreement with Canada concluded.. . . .	422
treaty with France suspended.. . .	107
Ecuador, machinery for industrial and agricultural purposes, surcharge removed.. . . .	394
Federated Malay States, import prohibitions.. . . .	195
textiles, quotas continued during 1940.. . . .	224
Fiji, import and exchange restrictions	154
Finland, flour, import duties.. . . .	409
wheat, import duties.. . . .	408
France, commercial agreement with the United Kingdom.. . . .	560
meats, imports duty free.. . . .	224
tariff treatment of gifts to armed forces.. . . .	351
French Indo-China, regulations re goods transhipped at Hongkong and Singapore.. . . .	780
Gambia, import control regulations..	650
Gibraltar, import control regulations..	321, 424
Guadeloupe, duty abolished.. . . .	456
Honduras, duties changed.. . . .	693
Hongkong, motor vehicles and radios, import licensing regulations.. . . .	994
India, import licensing regulations..	874, 993
Ireland, apples, fresh, free entry.. .	734
import quotas and quota periods for certain items.. . . .	497
ladies' headgear and wood screws quotas fixed.. . . .	35
silk and artificial silk hosiery and candles, import quotas fixed..	830

	PAGE
Tariff Changes and Trade Regulations—Con.	
Ireland—Con.	
timber, import control regulation modified.. . . .	735
war-risk insurance included in dutiable value.. . . .	691
woven tissues of wool and worsted, import quotas fixed.. . . .	153, 691
and spark plugs, import quotas fixed.. . . .	351
Italy, state of war proclaimed.. . .	962
Japan, conventional tariff rates continued for United States goods..	425
drugs, chemicals and medicines, export control regulations.. . . .	322
wheat and flour, export control.. . .	155
Levant, Mandated States, import licensing regulations.. . . .	196
Malta, import prohibitions.. . . .	424
Manchukuo, import and export restrictions.. . . .	155
Mexico, legalization of commercial invoices no longer required.. . . .	36
Montserrat, value for duty changed to c.i.f. basis.. . . .	649
Netherlands, apples (fresh), monopoly tax reduced.. . . .	561
cattle and animal products, import regulations.. . . .	351, 530
hosiery, import restrictions.. . . .	155
Netherlands India, import quota restrictions.. . . .	108
import quotas renewed.. . . .	425
increased surtax continued.. . . .	108
strong medicines ordinance.. . . .	425
Netherlands West Indies, duties temporarily abolished in Saba, St. Eustache and St. Martin.. . . .	155
Newfoundland, potatoes (seed), unit of weight for imports.. . . .	736
trade agreement with Australia..	423
with Dominican Republic signed..	648
New Zealand, import licensing regulations.. . . .	608, 778
motor vehicles, import licensing regulations.. . . .	74
samples, import control regulations.. . . .	321, 560
tariff decisions as to classification and rates.. . . .	559, 648
trade control.. . . .	624
Northern Rhodesia, milk, skimmed or evaporated, marking regulations..	692
Norway, duties changed.. . . .	456
Palestine, customs agreement with Syria.. . . .	153
duties changed.. . . .	780
flour, duties.. . . .	424
import control regulations.. . . .	713
wheat, duties.. . . .	424
Panama, official holidays.. . . .	322
Paraguay, new tariff arrangement with Canada.. . . .	922
trade agreement with Canada in force.. . . .	1042
Peru, automobiles and tires, additional taxes.. . . .	530

	PAGE
Tariff Changes and Trade Regulations—Con.	
Peru— <i>Con.</i>	
duties changed.. . . .	921
wheat, rice and maize, import permits required.. . . .	994
South Africa, luxury goods, duty changed.. . . .	560
Surinam (Netherlands Guiana), basis for levying duty and tariff changes.. . . .	352
Tanganyika, import licensing regulations.. . . .	76
Turkey, import control regulations..	561, 737
import control of Canadian goods changed.. . . .	352
United Kingdom, aluminium, import licensing regulations.. . . .	268
products, import licensing regulations.. . . .	192
apricot and peach kernels, import licensing regulations.. . . .	104
Bacon (Addition of Borax) Order, 1940.. . . .	775
bacon, hams, and cooked pickled meats, regulations <i>re</i> use of sodium or nitrite potassium..	830
bacon, hams, and lard, import licensing regulations.. . . .	153, 268
beans (dried), import control.. .	205
butter, import licensing regulations.. . . .	393, 497
chromium compounds, import licensing regulations.. . . .	775
duties changed.. . . .	647
fats, oils and greases (animal), import licensing regulations.. . .	71
fish, certain varieties added to free list.. . . .	871
fish (frozen), import licensing regulations.. . . .	919
flashlights, import licensing regulations.. . . .	747
flour, quota payments suspended..	734
foodstuffs, import licensing regulations.. . . .	454
fruits (dried), import licensing regulations.. . . .	222
and tea, import licensing regulations.. . . .	349
fruits in airtight containers, import licensing regulations.. . . .	454
government contracts, import licensing regulations.. . . .	221
import licensing regulations.. . . .	33, 423, 497, 528, 557, 602, 689, 871,
bills of lading.. . . .	222
detailed.. . . .	1036
extended.. . . .	959
iron and steel, import licensing regulations.. . . .	27
products added to free list.. . .	602
meats, import licensing regulations	268, 455, 933
Merchandise Marks Act, Committee's recommendation for spectacle frames, etc.. . . .	152
motor truck shipments, documentation.. . . .	191
oysters, import licensing regulations.	205

	PAGE
Tariff Changes and Trade Regulations—Con.	
United Kingdom— <i>Con.</i>	
paper, import licensing regulations	361
and paper products, import licensing regulations.. . . .	268
trade control regulations.. . . .	706
peas (dried), import control regulations.. . . .	205
piece-goods and skates, import control regulations.. . . .	829
plywood, import control regulations, effect of.. . . .	807
strawboard, import licensing regulations.. . . .	104, 222, 361
timber, import licensing regulations.	70
veneers, trade control regulations.	806
United States, articles containing copper, instructions <i>re</i> invoices.	920
Canadian coal, coke and briquets exempt from revenue tax.. . .	692
customs conversion rate on Canadian dollar.. . . .	649
drugs and medicines, regulations <i>re</i> in-transit shipments.. . . .	780
foxes, quota for silver or black exhausted.. . . .	271
supplemental trade agreement with Canada <i>re</i> silver and black.. . . .	69
granite, duty on Canadian.. . .	301
imports from Canada under the quota provisions of the trade agreement.. . . .	152, 346, 453, 601, 829
imports from Canada under the trade agreement effective Jan. 1, 1939.. . . .	128, 292, 438, 580, 800
maple sugar and syrup, duties changed.. . . .	763
paper, wrapped, marking regulations.. . . .	1042
potatoes (seed), duty on Canadian changed.. . . .	36
duty reduction on Canadian extended.. . . .	107
Tenders Invited	
Australia, for rubber insulated cable.	156
for telegraph paper tape.. . . .	156
New Zealand.. . . .	156, 454, 774
Textiles	
United Kingdom, industry.. . . .	237
Thailand (Siam)	
Income and purchasing power in 1938-39.. . . .	773
Timber	
<i>See</i> Lumber and Timber	
Tires and Tubes	
Australia, proposed manufacture of tire fabric.. . . .	403
Tomatoes (Canned)	
United Kingdom, copper content.. .	361
imports, Jan.-Aug., 1939.. . . .	359
market in London.. . . .	360
prices.. . . .	360
prospects for Canadian in 1940.. .	360

	PAGE
Tomato Puree	
United Kingdom, prospects for Canadian in 1940.. . . .	361
Trade Agreements	
Australia with Brazil, concluded.. . .	423
with Newfoundland.. . . .	423
Canada with Dominican Republic concluded.. . . .	422
with United States, supplemental.. .	69
Newfoundland with Dominican Republic.. . . .	648
Venezuela, government policy.. . . .	770
Trade Marks	
British Malaya, registration in Straits Settlements.. . . .	321
Trinidad	
See British West Indies	
Turkey	
Flour, milling industry.. . . .	68
Import control of Canadian goods changed.. . . .	352
Import control regulations.. . . .	561, 737
Wheat, production in 1939.. . . .	68
Typewriter Ribbons	
Netherlands, market.. . . .	55
U	
United Kingdom	
Agricultural products, government controlled prices.. . . .	931
Agriculture, conditions in 1939.. . . .	881
policy.. . . .	234
Aluminium, import licensing regulations.. . . .	268
products, import licensing regulations.. . . .	192
Apricot and peach kernels, import licensing regulations.. . . .	104
Bacon (Addition of Borax) Order, 1940.. . . .	775
Bacon and hams, imports, Jan.-July, 1939.. . . .	934
into Scotland in 1939.. . . .	850
and lard, import licensing regulations.. . . .	153, 268
and cooked pickled meats, regulations re use of sodium or nitrite potassium.. . . .	830
Beans (dried), import control.. . . .	205
market conditions.. . . .	204
price control.. . . .	369
prospects for Canadian sales.. . . .	205
Box shooks, requirements.. . . .	670
trade control.. . . .	367
Broom handles, square for government departments.. . . .	617
Budget for 1940-41.. . . .	745
Building industry.. . . .	236
Butter, import licensing regulations.. . .	393, 497
imports in 1939.. . . .	1004
trade control.. . . .	1004
Buttons, imports in 1938.. . . .	666
market in London.. . . .	665
opportunities for Canadian exporters	670

United Kingdom—Con.

	PAGE
Cattle, census in 1939.. . . .	882
imports from Canada in 1939.. . . .	884
Cereals, price control.. . . .	569
prices.. . . .	369
Charcoal, imports into the North of England.. . . .	840
prospects for Canadian.. . . .	844
requirements in the North of England.. . . .	839
Cheese, imports in 1939.. . . .	1004
into Scotland in 1939.. . . .	849
trade control.. . . .	1006
Chromium compounds, import licensing regulations.. . . .	775
Coal, exports from South Wales, Jan.-Aug., 1939.. . . .	811
Codfish, imports in 1938.. . . .	660
Cod liver oil, production and consumption in Great Britain.. . .	618
Copper, price control.. . . .	469
trade control.. . . .	465
Displacement of German trade.. . . .	1
Duties changed.. . . .	647
Economic conditions in 1939.. . . .	231, 672
in Scotland, Jan.-March.. . . .	847
Effect of restrictions on imports from Canada.. . . .	232
Eggs, imports in 1939.. . . .	1002
into Scotland in 1939.. . . .	850
maximum prices for frozen.. . . .	617
trade control.. . . .	1002
Exchange control.. . . .	615
Exports in April, 1940.. . . .	928
from South Wales, Jan.-Aug., 1939..	809
regulation of payment.. . . .	505
Export trade, promotion.. . . .	503
Fats, oils and greases (animal), import licensing regulations.. . .	71
Feedstuffs, government control.. . .	167
government controlled prices increased.. . . .	930
import control, amendment.. . . .	290
imports into Scotland in 1939.. . .	849
trade control in Great Britain.. . .	436
Ferrous metals, trade control.. . . .	432
Fertilizers, market conditions.. . . .	289
trade control.. . . .	288
Fish, certain varieties added to free list.. . . .	871
imports of fresh and frozen.. . . .	659
production in Great Britain.. . . .	662
Fish (canned), trade control.. . . .	538
Fish (frozen), government measures..	655
import licensing regulations.. . . .	919
trade conditions.. . . .	655
Fish meal, import control.. . . .	437
Flashlight batteries, market opportunities in the West of England..	747
Flashlight bulbs, market opportunities in the West of England.. . .	746
Flashlights, import licensing regulations.. . . .	747
Flooring, import restrictions on hardwood.. . . .	671

	PAGE		PAGE
United Kingdom—Con.		United Kingdom—Con.	
Flour, imports into Scotland in 1939.	848	Milk-bottle discs, demand in the West	
price control.. . . .	569	of England.. . . .	1001
quota payments suspended.. . . .	734	Motor truck shipments, documenta-	
Food, price control.. . . .	327	tion.. . . .	191
Foodstuffs, import licensing regula-		Overseas trade, effect of war condi-	
tions.. . . .	454	tions.. . . .	238
Foreign trade.. . . .	431	Oysters, import licensing regulations.	205
in March, 1940.. . . .	743	market conditions.. . . .	205
in April, 1940.. . . .	927	Paper, import control.. . . .	361
Fruits in airtight containers, import		rationing scheme.. . . .	362
licensing regulations.. . . .	454	and products, import licensing regu-	
Fruits (dried), import licensing regula-		lations.. . . .	268
tions.. . . .	222	tissue apple wraps, demand in the	
and tea, import licensing regulations.	349	West of England.. . . .	705
Government contracts, import licen-		trade control regulations.. . . .	706
sing regulations.. . . .	221	Payments agreement, operation of	
Haddock, imports in 1938.. . . .	660	Argentina.. . . .	257
Halibut, imports in 1938.. . . .	661	Peas (dried), import control.. . . .	205
Herring, imports in 1938.. . . .	660	market conditions.. . . .	204
Herring (canned), marked in the West		price control.. . . .	369
of England.. . . .	807	prospects for Canadian sales.. . . .	205
Honey, imports in 1939.. . . .	1007	Piece-goods and skates, import control	
into Scotland in 1939.. . . .	851	regulations.. . . .	829
trade control.. . . .	1007	Pitprops, trade control.. . . .	366
Horses, census in 1939.. . . .	885	Pitwood, imports into South Wales,	
Hosiery, market for cotton in Lon-		Jan.-Aug., 1939.. . . .	810
don.. . . .	664	Plywood, import control regulations,	
Import licensing regulations. 33, 423,		effect of.. . . .	807
497, 528, 557, 602, 689, 959		Pork, chilled and frozen, imports,	
bills of lading.. . . .	222	Jan.-July, 1939.. . . .	936
detailed.. . . .	1036	Poultry, imports, Jan.-July, 1939.. . . .	937
for iron and steel.. . . .	27	Price control regulations.. . . .	81, 930
Imports from Denmark in 1938.. . . .	818	Publications, Imperial Economic Com-	
from Germany in 1937, detailed	2	mittee's, list of.. . . .	788
from Norway in 1938.. . . .	818	Pulpwood, trade control.. . . .	366
from Sweden in 1938.. . . .	818	Reports of Trade Commissioner E. L.	
in April, 1940.. . . .	928	McColl, Bristol:	
into South Wales, Jan.-Aug., 1939..	809	January 5, 1940.. . . .	239
Industrial conditions in the West of		January 29, 1940.. . . .	288
England.. . . .	239	February 20, 1940.. . . .	465
Industry and trade of South Wales in		March 13, 1940.. . . .	618
1939.. . . .	808	April 12, 1940.. . . .	705
Insurance, government scheme for		April 29, 1940.. . . .	807
lumber and timber.. . . .	367	June 6, 1940.. . . .	1001
Iron and steel, industry.. . . .	235	Reports of Assistant Trade Commis-	
production in South Wales, Jan.-		sioner L. H. Ausman, Bristol:	
July, 1939.. . . .	813	February 5, 1940.. . . .	364
trade control.. . . .	470	April 3, 1940.. . . .	670
Iron and steel products, added to free		April 4, 1940.. . . .	617
list.. . . .	602	April 8, 1940.. . . .	671
trade control.. . . .	432	April 19, 1940.. . . .	705
Lead, price control.. . . .	469	April 23, 1940.. . . .	746
trade control.. . . .	465	April 26, 1940.. . . .	808
Live stock, government control.. . . .	161	April 30, 1940.. . . .	806
Lumber and timber, imports into		May 16, 1940.. . . .	928
Scotland in 1939.. . . .	851	Reports of Trade Commissioner G. B.	
into South Wales, Jan.-Aug., 1939.	810	Johnson, Glasgow:	
prospects for Canadian.. . . .	368	March 28, 1940.. . . .	672
purchases of Canadian softwood..	705	April 12, 1940.. . . .	847
Meats, import licensing regulations.		April 19, 1940.. . . .	848
268, 455, 933		Reports of Trade Commissioner A. E.	
imports in 1939.. . . .	933	Bryan, Liverpool:	
Merchandise Marks Act, Committee's		March 7, 1940.. . . .	535
recommendation for spectacle		April 25, 1940.. . . .	839
frames, etc.. . . .	152		
Milk (condensed and powdered), trade			
control.. . . .	1006		

	PAGE
United Kingdom—Con.	
Reports of Chief Trade Commissioner Frederic Hudd, London:	
January 5, 1940..	161
January 11, 1940..	231
February 2, 1940..	327
February 26, 1940..	431
March 2, 1940..	463
March 11, 1940..	503
March 12, 1940..	505
March 21, 1940..	568
April 5, 1940..	615
April 22, 1940..	743
April 25, 1940..	745
May 2, 1940..	818
May 20, 1940..	927
June 7, 1940..	1000
Reports of Trade Commissioner G. R. Heasman, London:	
February 9, 1940..	359
February 14, 1940..	361
March 19, 1940..	569
April 15, 1940..	706
May 9, 1940..	879
May 14, 1940..	845
May 22, 1940..	930
Reports of Assistant Trade Commis- sioner S. V. Allen, London:	
February 19, 1940..	432
March 5, 1940..	470
March 29, 1940..	665
April 9, 1940..	664
June 3, 1940..	1000
Reports of Assistant Trade Commis- sioner H. L. Brown, London:	
November 28, 1939..	1
December 13, 1939..	8
January 4, 1940..	205
January 8, 1940..	243
January 11, 1940..	167
January 15, 1940..	204
January 16, 1940..	244
January 20, 1940..	290
February 2, 1940..	380
February 8, 1940..	383
February 12, 1940..	369
February 14, 1940..	369
February 17, 1940..	436
February 17, 1940..	437
March 27, 1940..	578
March 19, 1940..	655
Reports of Animal Products Trade Commissioner G. R. Paterson, London:	
January 9, 1940..	161
February 28, 1940..	881, 933, 1002
May 14, 1940..	931
Salmon, imports of fresh and frozen..	661
(canned), effect of control on Cana- dian sales..	537
trade control..	535
Scrap metal, trade control..	470
Sea fishing, pre-war position of in- dustry..	661
Shipbuilding, conditions..	464
Shipping, conditions during war..	463
control..	367
foreign competition..	464
government control..	161

	PAGE
United Kingdom—Con.	
Strawboard, import licensing regula- tions..	104, 222, 361
Tar, market for pine..	928
Textile industry..	237
Timber, import licensing regulations. trade control..	70 364
Tomatoes (canned), copper content..	361
imports, Jan.-Aug., 1939..	359
market in London..	359
prices..	360
prospects for Canadian in 1940..	360
Tomato puree, prospects for Cana- dian in 1940..	361
Tool (machine), trade control..	1000
Trade and payments agreement with Spain..	568
Trade control..	231, 1000
Trade outlook for 1940..	239
Veneers, trade control regulations..	806
Wheat, imports into Scotland in 1939..	848
Wheels, wooden, market..	845
Wood flour, market requirements..	879
Zinc, price control..	470
trade control..	465
United States	
Alfalfa meal, production and market in Eastern..	184
Articles containing copper, instruc- tions <i>re</i> invoices..	920
Canadian coal, coke and briquets, exempt from revenue tax..	692
Customs conversion rate of Canadian dollar..	649
Dislocation of German trade..	170
Drugs and medicines, regulations <i>re</i> in-transit shipments..	780
Economic conditions in 1939..	279
Effects of war on trade..	791
Exports in 1939..	792
detailed..	793
Export trade in wartime..	892
Foreign trade in 1939..	791
Foxes, quota for silver or black exhausted..	271
supplemental trade agreement with Canada <i>re</i> silver and black..	69
Germany's position as a supplier..	171
Granite, duty on Canadian..	301
imports in 1938..	301
market conditions in Eastern..	298
market in Western..	894
opportunities for Canadian..	301, 895
Hay, situation in West Coast States..	641
Imports in 1939..	796
detailed..	798
from Austria in 1938..	172
by commodities in 1938..	173
from Canada under quota provi- sions of the trade agreement..	152, 346, 453, 601, 829
from Canada under the trade agree- ment effective Jan. 1, 1939..	128, 292, 438, 580, 800
from Czecho-Slovakia in 1938..	172
from Germany..	172
Lumber, market conditions..	450

THE LIBRARIAN,
UNIVERSITY OF TORONTO,
D. 1. TORONTO, S. ONT.

391424

Canada. Trade and Commerce, Dept. of
Commercial intelligence journal.
Vol. 62.

Gov. Doc.
Can
T

**University of Toronto
Library**

**DO NOT
REMOVE
THE
CARD
FROM
THIS
POCKET**

Acme Library Card Pocket
LOWE-MARTIN CO. LIMITED

